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Kidnappers Release 3 Soviet Hostages Held in Lebanon

The Associated Press
BEIRUT — Three Soviet Embassy personnel kidnapped a month ago have been released unharmed, an embassy spokesman said Wednesday.

"They're all free and in relatively good condition," said the spokesman, who declined to be identified.

The embassy spokesman declined to give any details of the release Tuesday of the three captives who had been threatened with death since they were kidnapped Sept. 30.

The three are Oleg Spirin, a press attaché; Valery Mirkov, a commercial attaché; and Nikolai Svirsky, the embassy doctor.

They were seized by gunmen in West Beirut, the first East-bloc nationals abducted in the Lebanese capital since Islamic extremists began kidnapping foreigners in January 1984.

A fourth man abducted the same day, Arkadi Karkov, 32, a consular attaché, was killed by the kidnappers. His body was found two days after the abduction on a garbage dump outside the Cité Sportive stadium in south Beirut.

It was not immediately clear whether intervention by Syria, the main power broker in Lebanon, was instrumental in securing the release of the kidnapped Russians.

The kidnappings were claimed by a previously unknown group, the Islamic Liberation Organization, believed to be made up of Sunni Muslim fundamentalists.

Telephone callers claiming to represent the group initially demanded that Moscow pressure Syria to call off an offensive by leftist militias against Muslim fundamentalists in the northern Lebanon port of Tripoli.

The offensive was called off the day after Mr. Karkov was slain.

But the hostages were not freed. Callers claiming to represent the Islamic Liberation Organization called radio stations, demanding that Moscow close its Beirut consulate and withdraw its troops from Lebanon. States to end Lebanon's 16 years of civil war.

The Soviet Union evacuated about two-thirds of its 150 citizens in Beirut on Oct. 4 amid threats that its embassy would be blown up. But no attacks were ever launched.

The kidnapping of the Soviets was a major embarrassment to Syria at a time it was sponsoring peace talks between Lebanon's three main Christian and Muslim militias to end the decade-old civil war.

Gemayel Sends Embassy
President Amin Gemayel of Lebanon sent former Foreign Minister Elie Salem to Damascus on Wednesday where he had talks with Vice President Abdel Halim Khaddam of Syria, Beirut Radio said.

Syrian sources in Damascus said Mr. Salem was seeking details of a secret agreement reached on Saturday by Moslem and Christian militias to end Lebanon's 16-year civil war.

Beirut Radio said Mr. Salem briefed Mr. Khaddam on Mr. Gemayel's visit last week to the United Nations in New York. Mr. Salem returned to Beirut after the talks, it added.

Mr. Gemayel played no part in the mounting talks between Shiite, Druze and Christian militias, which were said to have produced a draft accord on reforms that would deprive Lebanon's Christian minority of its dominant share in government.

Political sources say Mr. Gemayel has reservations on reported proposals to reduce the power of the Christian-held presidency.

Lebanese Man Executed
Moslem militiamen executed a Lebanese man accused of collaborating with Israel by hanging him Wednesday in the southern port of Sidon, United Press International reported from Beirut.

Mohammed Habbib, 40, was brought to the gallows in the city's Nijmeh Square before dawn and executed in front of hundreds of onlookers.

The move coincided with intermittent clashes between Christian and Moslem militiamen on the Green Line and sporadic exchanges of machine gun fire in the mountainous overlooking the Lebanese capital.

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Casper W. Weinberger, left, and Michael Heseltine flank Lord Carrington, the NATO secretary-general.

Arafat Pledges Good Conduct, Aide Says

By John Kifner
New York Times Service
AMMAN, Jordan — The Palestine Liberation Organization has given a good conduct pledge to King Hussein to avoid such embarrassing incidents as the Achille Lauro hijacking, Palestinian and Jordanian sources said Wednesday.

"We agreed we shouldn't carry out any act which could hurt the Feb. 11 agreement," said Hani al-Hassan, a top political aide of Yasser Arafat, the PLO chairman, after two days of crucial meetings here. Mr. Hassan was referring to the accord between Jordan and the PLO designed to lead to a Middle East peace settlement.

The promise — somewhat tentative, given the volatile nature of the Middle East and the rather amorphous character of the Palestinian movement — appears to be the sole concrete achievement of the summit in recent weeks to isolate the ed confrontation between Mr. Arafat and the Jordanian monarch.

The Jordanian-PLO alliance thus appeared to have survived any attempt by the king to writing commitments from Mr. Arafat to such American conditions for entry to the negotiating process as recognition of Israel or renunciation of violence, Palestinian and Jordanian sources said.

Instead, these sources said, much of the discussion focused on the need to tighten up responsibility in Mr. Arafat's unwieldy apparatus.

The result was a relief for Mr. Arafat and his aides, who had arrived here prepared for a major confrontation and fearful they would be thrown out of their bases in Jordan and, indeed, out of the peace efforts that have given them a measure of respectability.

"This is a success for the PLO," Ahmed Abdul Rahman, the PLO spokesman, said.

There was scant mention in the meetings, according to both Palestinian and Jordanian sources, of any attempt by the king to writing commitments from Mr. Arafat to such American conditions for entry to the negotiating process as recognition of Israel or renunciation of violence, Palestinian and Jordanian sources said.

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"This is a success for the PLO," Ahmed Abdul Rahman, the PLO spokesman, said.



Yasser Arafat

Experts See World Push for Curbs on Currency Rates

By Peter T. Kilborn
New York Times Service
WASHINGTON — Worldwide concern about the fluctuations of the U.S. dollar and the impact of its level on the livelihood of all countries has started a multinational effort to reimpose direct government control over currency rates, according to international economists.

The catalyst for change could well be a monetary conference in Washington next month to be attended by many of the world's top economic policy-makers and leading international economists.

From that meeting will come a report for the seven-nation economic summit conference to be held late next spring in Tokyo. That, in turn, could lead to the first international conference on currency rates since the one held in Bretton Woods, New Hampshire, in 1944.

Governments, and in particular the U.S. government, now see political opportunity in regulating exchange rates.

The Reagan administration, once an intractable foe of government intervention in currency markets, has come to recognize the value of at least occasional intervention to deal with the effects of its \$300-billion federal budget deficits and such other pressing economic issues as protectionist attitudes in Congress and the developing world's debts to Western banks.

Other industrial nations have been chagrined for several years with the current system, in which currencies are left to vie for themselves in an often volatile marketplace. The change in American attitudes is encouraging these nations to step up their efforts for change.

The prospect of revising the currency system has captivated some congressmen as well. Two men who are often mentioned as possible presidential candidates, Representative Jack Kemp, Republican of New York, and Senator Bill Bradley, Democrat of New Jersey, have joined in sponsoring next month's monetary conference.

"We hope to focus attention on the problem of exchange rates," Mr. Bradley said. "The present system isn't working as it was supposed to work, or we wouldn't have \$120-billion trade deficits."

Some economists and political leaders in the United States and abroad back a return to the system of tight supervision of currency-exchange rates that was established 41 years ago at the conference in Bretton Woods.

That system, in which the dollar's value was pegged to gold and then the other currencies were tied to the dollar, crumbled with rising world inflation at the start of the 1970s. Most of those now advocating change want a less rigid system, but a system, nevertheless, to curb the volatility of an unregulated marketplace.

A senior Reagan administration official, who declined to be named, said, "My personal opinion is that we have to reform the system."

U.S., Britain Agree on SDI Research Plan

By James M. Markham
New York Times Service
BRUSSELS — Abandoning a demand for a guaranteed stake in the U.S. Strategic Defense Initiative, Britain announced Wednesday that it will participate in the research program that has been over a year in the making.

At the conclusion of a two-day meeting of NATO's Nuclear Planning Group, Michael Heseltine, the British defense secretary, made clear that in a discussion with Caspar W. Weinberger, the U.S. defense secretary, he had withdrawn a demand that British companies be assured a \$1.5-billion share in the research program.

The announcement was welcome news for the Reagan administration, which has been keen to have visible allied support for the program.

In a statement issued Wednesday, the NATO defense ministers declared that President Ronald Reagan will go to Geneva with the full support and solidarity of the alliance.

Allied concern over SDI was apparent in the statement. At a meeting last March of the Nuclear Planning Group in Luxembourg, the ministers had expressed support for the American research program, which they said was aimed at enhancing stability and deterrence at reduced level of offensive nuclear forces.

By contrast, the statement Wednesday addressed the issue in a section on the Soviet-American arms talks in Geneva and voiced strong support for U.S. positions concerning intermediate, strategic and space systems.

This formulation — which did not specify which U.S. positions were being supported — was proposed by Mr. Weinberger on Monday by Norway's defense minister, Anders C. Sjaastad, to avoid an open split in Brussels just before the summit meeting, according to various delegation sources.

"I think it was very important for the alliance that we could really have a unanimous support for the negotiation paragraph," said Mr. Sjaastad, who acknowledged that he had anticipated reservations of several other NATO members in diluting the Luxembourg language.

"It means that this time we are concentrated on giving strong support for the United States at Geneva — and, of course, we hope and we expect that we will eventually result in all three areas of interest for the negotiations."

"There was no way in which I could negotiate a contract that said 'X' sum to 'Y' company on a specific date," said Mr. Heseltine, who suggested that the likely large scale of involvement by British firms would generate lucrative contracts in research to develop an anti-ballistic missile shield.

Mr. Heseltine, who announced the breakthrough after Mr. Weinberger had left North Atlantic Treaty Organization headquarters to return to the United States, said that both sides would submit what he called an outline of an agreement to their governments for approval.

He said that he did not know if an accord would be formally reached before the meeting between President Ronald Reagan and Mikhail S. Gorbachev next month in Geneva.

The prospect of a British-American accord will make it easier for Chancellor Helmut Kohl to move forward with his plans for a similar arrangement covering the participation of West German industry in the projected \$26-billion research undertaking. Mr. Kohl and his advisers are known to be concerned that other NATO countries participate in the SDI program.

In another delicately balanced sentence of the statement, the latest Soviet proposals for 50-percent cuts in offensive nuclear systems were characterized as one-sided and self-serving. But the hope was expressed that the proposals were

Craxi to Lead Same Italian Coalition

By Loren Jenkins
Washington Post Service
ROME — Prime Minister-designate Bettino Craxi succeeded Wednesday in reconstituting the same five-party coalition government that collapsed two weeks ago in the wake of the Achille Lauro ship hijacking.

After meeting for three hours with leaders of the five parties that formed his previous government, Mr. Craxi announced that "the crisis has been overcome."

Mr. Craxi said the agreement envisaged a new constitutional formula that, in effect, would reverse his resignation Oct. 17 and submit his original government and mandate to a parliamentary vote of confidence next week. A positive vote has already been assured in the negotiations with party leaders.

Mr. Craxi's decision to allow a Palestinian leader, Mohammed Abbas, to leave Italy despite U.S. demands that he be arrested and held for extradition as the mastermind of the Achille Lauro hijacking led to his government's collapse. Defense Minister Giovanni Spadolini, the pro-American leader of the Republican Party, decided to pull his party's three ministers out of the coalition to protest Mr. Abbas' release.

Mr. Spadolini apparently was persuaded to rejoin the government Wednesday when Mr. Craxi agreed to Republican demands for more consultation within the governing coalition in the future and restated Italy's commitment to oppose international terrorism and stand by its Atlantic alliance partners, especially the United States.

Although Mr. Spadolini said there were no "victors and no losers," Italian political commentators said the Republican-created government crisis had left the party dangerously isolated, threatened new parliamentary elections, and endangered pending financial and government reforms dear to the party. They said Mr. Spadolini had no choice but to rejoin the coalition after proper face-saving accords were approved.

Mr. Craxi said that once the leaderships of the various coalition parties approved the decision to resume the government, he would see President Francesco Cossiga and withdraw his resignation submitted Oct. 17.

That would open the door for Mr. Craxi to simply resign his resignation as prime minister before a vote of confidence in Parliament next week after a debate on the Achille Lauro issue.

The formula of returning to Parliament was urged on Mr. Craxi by Mr. Cossiga over the weekend as a means of speeding up the formation of a new government so it could get on with the pending financial legislation. Not to have done so would have risked having the government crisis bog down an interminable intraparty hogging over new policies and new Cabinet portfolio allocations.

U.S. Researchers Question Claim By French Team on AIDS Treatment

The Associated Press
BETHESDA, Maryland — Leading American researchers have reacted with surprise and skepticism to the announcement by a French medical team that it had successfully prevented the progression of the AIDS virus with a drug commonly used to prevent the rejection of transplanted organs.

A researcher in acquired immune deficiency syndrome at the National Institutes of Health in Bethesda, Dr. Anthony S. Fauci, questioned Tuesday how the French researchers could have announced the results after only a week of testing.

Dr. Samuel Broder, of the National Cancer Institute, said Wednesday that no AIDS patient should think he was being deprived of a curative therapy because the drug was not available for treatment.

The French researchers said Tuesday in Paris that cyclosporine-A, a drug used to prevent rejection of transplanted organs, could halt the growth of the AIDS virus and allow the body's damaged immune system to rebuild itself.

The researchers said their treatment was not a cure for AIDS, which has been fatal in most cases. American cities and states are attempting to battle AIDS with legal remedies. Page 3.

but could help maintain AIDS victims until a drug is found to eliminate the virus.

The doctors, Philippe Even, Jean-Marie Andrieu, and Alain Venet, said they had witnessed what they called spectacular improvement in two patients who had been given cyclosporine-A for five days. One of the patients was close to death, they said.

They said that in both cases there was a marked resurgence of the immune system as measured in heightened levels of the critical T-4 lymphocyte cells that are destroyed by the AIDS virus.

Four other patients are under treatment with cyclosporine-A at the Laennec Hospital in Paris, but the researchers said it was too early to give results in their cases.

Dr. Broder said, "I think on the basis of the evidence presented thus far in scientific journals, no patient need feel that he is being deprived of a curative therapy by not having access to cyclosporine at the present time."

Dr. Fauci was even sharper in his reaction: "There is not a scientist I know who would give something for one week to six patients and make an announcement in the press. If you want to talk about cures, you want to make sure something works before you announce it."

The U.S. surgeon general, Dr. C.

Everett Koop, said on NBC's "Today" show Wednesday that "there doesn't seem much new to me."

The French research team acknowledged it was highly unusual to announce results before months of confirming research.

Drug Maker Comments
In Basel, Switzerland, an immunology specialist at Sandoz Laboratories, which manufactures cyclosporine-A, said the company had not collaborated with the physicians and did not know their findings publicly. Reuters reported.

Jorg Schoedel, who is responsible for immunology research at the company, said, "There is a danger of giving too many hopes," he said. "Everyone suffering from the disease will expect a cure."

Technique Cuts Coronary Deaths

Reuters
BOSTON — Dutch researchers, in a report published Wednesday, said they had discovered a technique that was said to dramatically reduce the number of deaths among heart attack victims.

The technique, reported in the New England Journal of Medicine, calls for immediate injection by bystanders or paramedics of the drug lidocaine into the shoulder muscles of suspected victims of heart attacks. The researchers said this cuts the likelihood of irregular heartbeat, a contributory cause of death, six times.

Dr. Bernard Lown of the Harvard University School of Public Health said the recommendation, if carried out, "will save many of those who would otherwise die."

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U.S. Navy Chief Assails Plea Bargain For Spy as 'Wrong Message to Nation'

By Ruth Marcus
and George C. Wilson
Washington Post Service
WASHINGTON — Navy Secretary John F. Lehman Jr. has assailed the government's plea agreement with a retired navy communications expert, John Anthony Walker Jr., for sending "the wrong message to the nation and to the fleet."

Mr. Lehman said John Walker's promise to divulge details about his espionage activities was not worth the price.

The secretary said Tuesday he had objected to the arrangement under which Mr. Walker pleaded guilty to espionage and conspiracy Monday to gain lenient treatment for his son, Seaman Michael Lance Walker, who also pleaded guilty.

John Walker will be sentenced to life in prison while Michael Walker will receive a 25-year sentence.

Under the agreement, Michael Walker will be eligible for parole after serving one-third of his sentence, or eight years and four months, John Walker, 47, will become eligible for parole after serving 10 years.

Assistant U.S. Attorney Michael Schatzow, who prosecuted the father and son, reacted angrily to Mr. Lehman's comments. "If the secretary of the navy actually said that, you have to wonder why it is that people who are superior to him authorized this agreement if he is right."

"I think it is worth it, and the people I have spoken to who have



John F. Lehman Jr.

After a Year of Rajiv, Indira Is 'Almost Forgotten'

By Steven R. Weisman
New York Times Service
NEW DELHI — The assassination of Prime Minister Indira Gandhi a year ago Thursday — Oct. 31, 1984 — stunned India and raised the question of what life would be like without the woman who dominated national politics for nearly two decades.

The answer, to the surprise of many critics and supporters of the Gandhi family, is that Rajiv Gandhi, her son and successor as prime minister, has put such a strong personal stamp on the government that the memory of Mrs. Gandhi has receded.

In the economic area, Rajiv Gandhi has sharply increased the role of private enterprise and cut back on government regulations, moving the nation away from the socialist philosophy that had guided it since independence.

In foreign policy, the change has been less dramatic. While he has shifted India's orientation more toward the West, he has maintained close ties with the Soviet Union. A breakthrough came this year when the United States allowed India for the first time to

obtain high technology equipment for possible military use.

India's often uneasy relations with its neighbors have improved, although tensions with Pakistan remain. But in Sri Lanka, where leaders once accused Indira Gandhi of fomenting civil war, India has become a trusted mediator to end the fighting.

Perhaps most striking, Mr. Gandhi, 41, has shown a new style of cooperation with the people his mother had opposed or tried to remove from power. The new attitude has led to peace accords in the troubled states of Punjab and Assam, and an atmosphere of political harmony generally.

"Think of the change we have seen," said Karan Singh, a former cabinet minister and ally of Indira Gandhi. "A year ago Punjab was in flames, and there was a general feeling we were caught in a net of conflicts. Rajiv has restored hope and faith in the political process."

But Mr. Gandhi and his team of young managers have many critics. Even many supporters agree they have made minimal progress in reducing government corruption and

inefficiency, alleviating poverty and malnutrition, improving the schools and curbing population growth.

The critics also say that Mr. Gandhi has centralized too much power in his office and displayed a casual attitude toward preserving civil liberties.

For example, he has allowed some political opponents to be deported or arrested, and thousands of Sikhs have been seized as suspected troublemakers and held in preventive detention.

Opposition leaders charge that Mr. Gandhi's program of tax breaks and fewer government regulations benefits the upper-class society in which he moves. They say he has yet to show he can manage the vast government machinery or use his high position to educate the people.

"The country has almost forgotten Indira Gandhi, and there's a kind of relief that her style of politics is no more," said Ramesh Thapar, a political scientist and severe critic of the late prime minister.

But Mr. Thapar asserted that Indira Gandhi, in her first years in office after 1966,

"was exactly like this — open, receptive, a breath of fresh air." He added that "many of us worry that this chap is subject to pressure, that he can go either way."

Mr. Gandhi's rise is a remarkable chapter in modern Indian history because of the low expectations that many people had for him.

Although he grew up in an intensely political environment, Mr. Gandhi was never known for his political acumen or inclinations. Jawaharlal Nehru, Mr. Gandhi's grandfather and India's first prime minister, had relied on his daughter, Indira, for political advice.

When Indira Gandhi looked to the next generation for similar help, it was not to Rajiv, but to her younger son, Sanjay, who was regarded as the heir to the family's political instincts.

All but proclaimed an amateur, Rajiv Gandhi stayed on the sidelines and became a commercial airline pilot. It was only after Sanjay Gandhi died while still flying a small airplane in 1980 that Mrs. Gandhi

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U.S. Puts Space Shuttle Into Orbit to Carry Out West German Research

By Boyce Rensberger

Washington Post Service

CAPE CANAVERAL, Fla. — The U.S. space shuttle Challenger, on a scientific mission chartered by the West German space agency, was launched Wednesday, carrying eight astronauts and scientists and a research laboratory into orbit 201 miles above Earth.

The eight passengers were a record number to orbit in one vehicle in space. It was the ninth flight by the 22,500-ton shuttle Challenger and the 22d space shuttle mission.

Only one problem, reported to be minor, clouded the shuttle's flight: One of the craft's three fuel cells that supply electricity malfunctioned, suggesting that it might produce less power than planned.

The shuttle flight, the first one entirely chartered by one customer, will be devoted to scientific experiments by three scientists, two West German and one Dutch.

The shuttle's cargo contains a 17-foot-long (5.15-meter) laboratory in which the scientists will carry out 76 experiments during the planned seven-day flight. The cargo bay normally accommodates satellites.

American astronauts will fly the shuttle while the Europeans, assisted by three of the five Americans aboard, do the experiments.

To accommodate a crew of this size, NASA engineers installed an extra "sleep station," bringing the total to four. Work in the laboratory will be conducted in shifts around the clock.

Ground control of the scientific operations will be in another country for the first time, at the West German space agency's center in Oberpfaffenhofen, near Munich. Ground control remains at the Houston's Johnson Space Center.

"This particular flight is very pleasing to NASA," said Jesse Moore, associate administrator for space flight for the National Aeronautics and Space Administration.

The German and NASA have worked very well as a team.

West German space officials echoed much of the same sentiment about the cooperation. West Germany has paid \$65 million to charter the shuttle.

Since spring, scores of West German scientists and engineers have been working at the space center, making German an even more common language there than it was more than 20 years ago when Werner von Braun and other German scientists for a while formed the nucleus of the infant U.S. space program.

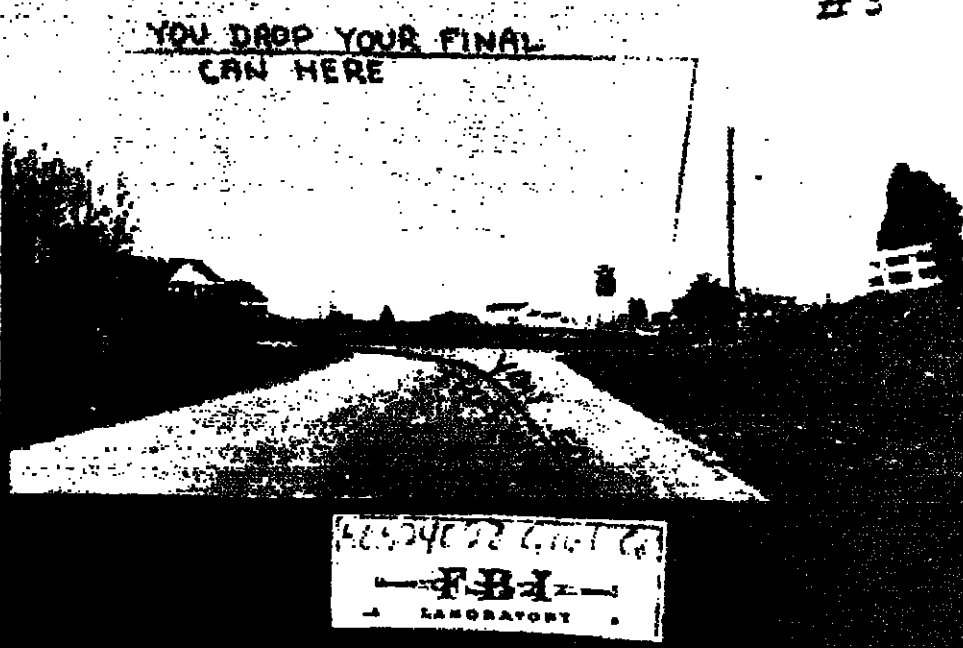
The laboratory, called Spacelab and built by the European Space Agency, an international consortium, consists of a room lined with racks of scientific equipment, each piece specially built to carry out one experiment.

Most of the experiments were designed by German researchers. A number are from France, Spain, Italy, Britain, the Netherlands, Belgium, Switzerland and the United States. All are intended to take advantage of the essentially weightless conditions of space to study various processes that are normally affected by gravity.

The largest class of experiments is in materials science, where one goal is to develop lighter and stronger metals and other materials. When molten metal cools and hardens, gravity alters its crystal structure. Without gravity, some scientists believe, substances may crystallize with a more perfect arrangement of atoms.

The crew will be led by Henry Hartsfield, the commander, and Steven R. Nagel, the pilot. In addition there will be three U.S. mission specialists, Bonnie J. Dunbar, James F. Buchli and Guion S. Bluford Jr.

The German scientists are Ernst Messerschmid and Reinhard Furrer. Wubbo J. Ockels is the Dutch scientist.



An FBI copy of one of the photographs used in the U.S. case against John A. Walker for spying. It is said to show a drop-off point he employed for passing secrets to Soviet agents.

Navy Assails Plea Bargain for Spy

(Continued from Page 1)

spent their entire careers doing intelligence work feel that very strongly, too," Mr. Schatzow said.

He said he understood that the plea agreements were approved by Defense Secretary Caspar W. Weinberger and Attorney General Edwin Meese 3d.

The plea-bargain agreement included John Walker's promise to tell the government exactly what he furnished the Soviet Union so that officials can take necessary action to ease the damage.

During much of the Vietnam War, Mr. Lehman said, the Soviet Union was decoding U.S. messages on what ships were going where, what troops could and could not do on the ground and the limits placed on U.S. bombers.

"We have to assume," Mr. Lehman said, "that Moscow passed to the North Vietnamese at least some of the secret messages it intercepted about U.S. military movements and tactics."

In response to a question, Mr.

Lehman said the Walker ring's espionage "very well could have" led to U.S. deaths in Vietnam "if we are able to establish that compromises and operational information" had been passed to Hanoi.

Mr. Lehman said that "we in the navy are disappointed at the plea bargain."

He said "it continues a tradition in the Justice Department of treating espionage as just another white-collar crime, and we think that it should be in a very different category," Mr. Walker should have received "the maximum sentence allowable under the law," he said.

"Here's a guy at the age of consent who was out on a carrier with 5,500 other kids risking their lives, and he was prepared to compromise all of his shipmates, not to mention his whole country, here he was turning over documents knowingly to the Soviet Union," Mr. Lehman said.

"One can have a human sympathy for his family situation and... his father leading him astray," the

secretary said, "but nevertheless a human being is responsible for his acts, and the acts were traitorous acts and ought to be treated differently than insider trading."

Mr. Schatzow said Monday that the government agreed to the lighter sentence for Michael Walker, who also faced the possibility of life in prison, because it was "essential" to learn precisely what secrets John Walker had passed to the Soviet Union in 18 years of espionage.

Mr. Lehman said, however, that while the details are "nice to know," investigators already "know what he had access to and what he almost certainly compromised, and so we're not going to save any money by what he tells us."

The "only possible payoff," Mr. Lehman said, "is if he reveals additional spies. But short of doing that, I don't see anything he can provide us with is worth... the message that is sent."

U.S. Is Satisfied on Soviet Seaman

After Interview, State Dept. Says He Doesn't Want Asylum

By Philip Shenon

New York Times Service

WASHINGTON — A Soviet seaman who was captured after jumping from his ship into the Mississippi River has assured U.S. officials that he does not want political asylum and will be allowed to return to the Soviet Union, according to the State Department.

The announcement Tuesday came after extensive discussions between the seaman and American officials. The State Department said that the seaman, Miroslav Medvid, had satisfied U.S. officials that he wanted to return to the Soviet Union and was now back aboard his ship near New Orleans.

The decision averted a potentially divisive incident three weeks before the Geneva summit meeting between President Ronald Reagan and the Soviet leader, Mikhail S. Gorbachev.

U.S. officials had refused to let the seaman's ship, the M.V. Marshal Konyev, leave its anchorage while diplomats were determining Mr. Medvid's intentions.

The State Department said that Mr. Medvid had signed a Russian-language statement late Tuesday afternoon confirming his wishes to return to the Soviet Union.

"He was alert and was determined by U.S. medical, legal and other representatives to be competent to make a decision concerning whether he wanted to remain in the U.S.," the State Department said. "Seaman Medvid reaffirmed his repeated statements that he wished to return to the U.S.S.R."

"Seaman Medvid signed this statement," it said. "We then released Seaman Medvid" for return to the ship "in accordance with his wishes. The United States government considers this matter closed."

The incident began when Mr. Medvid jumped from the moving freighter into the Mississippi River and was caught by U.S. authorities. Within hours, U.S. Border Patrol agents decided to return the seaman to the vessel despite his protests. A witness said Mr. Medvid was kicking and screaming as he

was forced to reboard the freighter.

The State Department, which is usually involved in asylum cases, said that it did not learn of the incident until 3:40 P.M. Friday, nearly half a day after Mr. Medvid had been returned to the ship.

On Monday, Soviet representatives allowed the seaman to be removed from the freighter for an interview with a State Department official who speaks Russian.

The State Department said that several others were present at the interview aboard a U.S. Coast Guard cutter, including an American military doctor, a representative from the Immigration and Naturalization Service, two officers from the Soviet Embassy, a Soviet doctor and the freighter's skipper.

"Although Medvid did not respond to some questions concerning events of the past few days, he repeatedly said that he wanted to return to the Soviet Union," according to the State Department's statement.

"Because we wanted to be absolutely certain that Seaman Medvid understood he had a clear choice, and considering his sickness earlier that afternoon, the Department of State decided that Seaman Medvid should be given an opportunity to get a good night's sleep on shore. He had suffered from nausea earlier in the day."

He was given a physical examination and a one-hour psychological evaluation at a nearby navy facility, the State Department said. Mr. Medvid was given another examination Tuesday morning by an air force psychiatrist.

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Fear of AIDS Prompts Legal Moves in U.S.

By E. R. Shipp

New York Times Service

NEW YORK — States and cities across the United States are enacting numerous proposals prompted by public concern about AIDS.

From town halls to the halls of Congress, laws and guidelines connected with the emergence of acquired immune deficiency syndrome have been adopted or proposed.

• Ban the operation of bathhouses that are havens of homosexual activity. This week, Governor Mario M. Cuomo ordered officials in New York City to close establishments permitting "high-risk sexual activities."

• Require that certain workers take a test that detects the presence of the AIDS antibody in the blood, a sign of probable infection with the virus.

• Require that those whose tests for AIDS antibodies are positive be identified to state health officials.

• Quarantine AIDS victims.

• Make it a felony for homosexuals and intravenous drug users to donate blood.

In at least two mayoral races, in New York and Houston, candidates have made an issue of the disease in their campaigns, offering plans for combating it through local laws.

AIDS is a fatal condition caused by a virus that weakens the body's defenses against infection. There is no known cure. At least 14,288 cases have been diagnosed in the United States since 1979, with 7,255 resulting in death.

In the United States, the syndrome primarily has affected male homosexuals, intravenous drug users who share needles and hemophiliacs and others who have received contaminated blood products. Scientists say the virus has only been known to spread through intimate sexual contact and transfers of blood.

In several major American cities, attempts to curb the spread of AIDS have focused on homosexual bathhouses, where men gather to engage in sex with multiple partners.

But in San Francisco, despite court-imposed restrictions on sexual conduct at homosexual bathhouses, the city's pending legal battle to curb "male sex" at these establishments has had only limited success, according to legal and health officials.

The bathhouse issue has spilled over into the New York mayoral race. Diane McGrath, the Republican-Conservative candidate, has called for closing not only bathhouses but also bookstores, bars and movie theaters "to protect these people from themselves."

AIDS is also an issue in the mayoral race in Houston, where a remark that was inadvertently broad-

cast touched off a controversy last week. Louie Welch, the Republican challenger to the Democratic incumbent, Kathryn J. Whitmire, said that one of his plans for combating AIDS was to "shoot the queers."

The remark was made as Mr. Welch was preparing to be inter-

It is a matter of debate whether the spate of lawmaking is meant to curtail the spread of AIDS or to appease a fearful public.

viewed on a local news program. He said he did not know his microphone was on.

In San Francisco, the Board of Supervisors is considering a proposal to protect those with AIDS from discrimination in employment, housing and public accommodations. A similar measure became law in Los Angeles in August.

It is a matter of debate whether the spate of lawmaking is meant to curtail the spread of AIDS or to appease a fearful public.

In Washington, Representative William E. Dannemeyer, Republican of California, offered a justification for legislative action. "Considering the magnitude of the epidemic we are staring in the face," he said, "if there is an error to be made, it should be made on the side of the people of this country, the 95 percent of us who follow a heterosexual life-style."

In rebuttal, Thomas B. Stoddard, the legislative director for the

virus. Scientists believe that the presence of the antibody usually indicates the steady presence of the virus, for which no good direct test exists, and the possible ability to spread the virus to others.

Federal researchers now estimate that from 700,000 to 1.4 million Americans are carrying the virus in their bodies. Only between 5 percent and 10 percent of infected individuals have developed AIDS within the first five years.

The test has been a boon to blood banks, which have used it since last spring to eliminate potentially contaminated blood from the supply for transfusions, but it is now being proposed as mandatory for certain workers. The military recently announced plans to test all enlisted personnel as well as to screen recruits.

Houston is one of the latest cities to consider an ordinance requiring that food-service employees be tested twice yearly and be issued

health cards if they are free of infectious disease. A similar ordinance was enacted in Miami last month over the objections of local health officials.

On Wednesday, Colorado became the first state in the nation to require that the names and addresses of those found to have the AIDS antibody be reported on a confidential basis to the state health department.

Health officials have argued that the reporting requirement is necessary to track the disease. They also point to their long record of confidential handling of reports on venereal disease victims. But those opposed to it, including Dr. John A. Zbarbaro, Denver's director of public health, say the regulation could have "an adverse effect on disease control in Colorado."

"More than likely," Dr. Zbarbaro said, "people will go out of the state for the test."

Mr. Stoddard, of the civil liberties union, said: "The nightmare is that those lists will be used for purposes other than health and will lead to a loss of jobs, a loss of housing, a loss of services because it will be assumed that one is gay if one is on the list and is not a member of one of the other risk groups."

Another area of some debate has been the use of quarantines. Though there has been much general discussion among politicians, religious leaders and some medical professionals, the Texas Board of Health has a proposal before it to add AIDS to the list of communicable diseases for which quarantines are available.

John Davis Lodge, Diplomat, Is Dead

The Associated Press

NEW YORK — John Davis Lodge, 82, U.S. ambassador to Switzerland from 1983 until this year and who had been a congressman and the governor of Connecticut, died Tuesday of a heart attack.

He served as ambassador to Switzerland until last spring, when he was replaced by his predecessor, Faith R. Whitley. He also served as ambassador to Argentina from 1969 to 1974 and Spain from 1955 to 1961.

Mr. Lodge was a Republican congressman from Connecticut from 1946 to 1950. He was elected governor in 1950 and served one four-year term.

He was the grandson of Senator Henry Cabot Lodge and brother of Senator Henry Cabot Lodge Jr.

William M. Allen, 85, Headed Boeing 23 Years

SEATTLE (AP) — William M. Allen, 85, who in 23 years as president of Boeing Co. built it into the

world's leading maker of commercial jet planes, has died after a long illness.

Mr. Allen is said to have "bet the company" and risk \$16 million on a new design for a prototype of a commercial jetliner. The result was the 707, the first of a long line of passenger aircraft. He said he deeply felt the flying public would throw his business to the fastest, most comfortable plane. More than 200 airlines around the world use Boeing planes today.

After T.A. Wilson became president in 1968, Mr. Allen was named chairman and chief executive officer, a post he held until his retirement in 1972.

Other deaths:

DeWitt John, 70, former editor at The Christian Science Monitor who guided it to three Pulitzer Prizes in the 1960s, last week while touring Portugal, the newspaper said.

Bernard Wolfe, 70, an author

who worked as a bodyguard for Trotsky and as a merchant marine, Sunday after a heart attack in Los Angeles.

Ruby Hart Phillips, 82, a correspondent for The New York Times who covered the rise of Fidel Castro in Cuba, Monday in Cocoa Beach, Florida.

Robert Edward Chablis, 81, who was convicted of killing four black girls in a 1963 church bombing in Birmingham, Alabama, that became a landmark for the civil rights movement in the Deep South, Tuesday at St. Clair prison in Odenville, Alabama.

Kirby Grant, 73, who starred as a wealthy rancher-pilot in the 1950s American television series "Sky King," on Wednesday in a traffic accident in Timonville, Florida while on his way to watch a space shuttle launch. In the 1953-54 series, Mr. Grant portrayed the Arizona pilot of The Songbird, a twin-engine Cessna he flew on his adventures.

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After a Year of Rajiv, Indira Is 'Almost Forgotten'

(Continued from Page 1)

In his brief apprenticeship under his mother, Mr. Gandhi did little to develop an independent identity. After the assassination, when the ruling Congress (I) Party chose him prime minister, he struck many as weak and uncertain.

In the subsequent parliamentary election campaign, Mr. Gandhi infuriated his opponents by questioning their commitment to Indian national unity. In December, the Congress (I) Party won 80 percent of the seats in Parliament, an unparalleled sweep.

Perhaps because the Congress (I) Party won only 49 percent of the actual vote, Mr. Gandhi took a more conciliatory approach almost immediately after the election. Then he signaled his willingness to break from the past by removing most of his mother's key advisers from his inner circle.

In a recent interview, Mr. Gandhi offered his first public criticism of the national emergency that his mother imposed from 1975 to 1977, during which civil liberties were suspended and many politicians were jailed.

Mr. Gandhi said that "a lot of things" had gone wrong because his mother had "lost control" dur-

ing that period and had allowed excesses to occur.

Associates say that in becoming prime minister, Mr. Gandhi was jolted into a more conciliatory attitude because of his mother's assassination, which many Indians believe was carried out as a retaliation by Sikhs angered at her crackdown on Sikh extremists in Punjab.

"I think after his mother was killed, he felt his back was against the wall," said Amitabh Bachchan, a film star, member of Parliament and longtime friend of Rajiv Gandhi. "When your back is against the wall, there's only one way to go and that's forward."

Mr. Gandhi said he shifted course for two reasons. First, he said, political opponents "survived on a confrontation" with his mother. But second, he said "the real aim is, we've got to run the country."

People close to the Gandhi family feel that the prime minister's style is rooted in personality. Whereas Indira Gandhi was mercurial and loved the sport of outmaneuvering her enemies, Rajiv Gandhi is seen as more simple and straightforward.

"Mrs. Gandhi could be reticent, and then act with a force several times more than what was needed," said H.Y. Sharada Prasad, press adviser to both mother and son. "You know, they always said Neh-

ru was too trusting. They never said that about his daughter. People say Rajiv is more like Nehru."

The prime minister's defenders say he is essentially a problem-solver lacking a coherent philosophy or world view.

"But the things that need to be done in India are obvious — they don't require a world view," said Arun Shourie, a journalist and author who was one of Indira Gandhi's harshest critics.

"We have to straighten out our police and intelligence forces, supply safe drinking water and clear up the bottlenecks in industry," he said. "Now we have a ruler who says, 'I'm not the brightest or best, but let me just try to do these things.'"

The prime minister's economic program is widely seen as an example of the virtues and pitfalls of his pragmatism. Many people say Mr. Gandhi is not so much committed to free-market theories as he is eager to try something that might work.

Business executives, meanwhile, say that if the economy does not expand briskly, they could easily imagine Mr. Gandhi backtracking on his economic changes.

The philosophy behind his economic program is that there is a huge pent-up demand for consumer and industrial products, but that production is being strangled by high taxes, regulations and licensing requirements.

Mr. Gandhi said in the interview that he wanted to change the system "overnight." But he added that "if we do it overnight, the present industry will be in very deep trouble."

He said he was concerned that big, new and efficient factories could be built, wiping out the old ones and throwing people out of work.

"We've got to give a sort of intermediary period where our current industry can adapt and become more competitive," he said.

Mr. Gandhi's defenders assert that in the long run, his policies will

achieve high growth in the industrial sector, generating tax revenues that can be used for health, education and welfare of the disadvantaged.

Numerous other problems face the prime minister. Farm production has increased and famine has nearly disappeared, but widespread malnutrition remains. Vast numbers of Indians are too poor to get enough to eat, while surplus grain lies rotting in fields after storage bins.

In education, Mr. Gandhi and his aides acknowledge that India's schools are not training people in the skills the society needs. In population control, he says that current programs are not working.

Many experts say the biggest problem India faces is revitalizing government institutions. The prime minister acknowledges that accountability in the sprawling government bureaucracy has rotted away.

In foreign policy, Mr. Gandhi has shifted course, but with fewer tangible results. India and Pakistan, which have fought three wars since independence in 1947, have stepped up their talks, and new cultural and communications accords were signed. But there seems to have been little easing of tensions.

Meanwhile, India has started many experts by playing a constructive role in mediating the dispute between the government of Sri Lanka and the Tamil insurgents who are seeking an independent state in the north and east.

One of the biggest foreign policy changes brought by Mr. Gandhi has come in relations with the United States. U.S. and Indian officials say that he has built on a trend started by Indira Gandhi, but that the tone of the relationship has a qualitative difference.

Officials said, for example, that the visit to New Delhi last spring by Fred C. Ikle, undersecretary of defense for policy, marked a turning point.



Rajiv Gandhi

The visit led to an accord permitting India to receive sophisticated technology, much of it with military application, that the Americans had been reluctant to give out for fear it would end up with the Soviet Union.

India's policy toward the Soviet Union has undergone no substantial change. But some analysts say they have detected that Mr. Gandhi may have become more willing to criticize the Soviet Union for its move into Afghanistan. "The phraseology, the wording, the emphasis has changed," said Kuldip Nayar, a leading columnist.

In this area, as in so many others, the changes may be of style as much as of substance. But changes of style may lead to tangible results, political experts note.

Generally, because of the circumstances in which he came to office a year ago, Mr. Gandhi has had to serve as an apostle of both continuity and change. His mother used to say that she presided over "a government that works."

Mr. Gandhi likes to say that his is a government that "works faster."

But the prime minister emphasized that the changes he seeks could take a decade or so.

"We can try to do things faster," he said. "But we don't want to snap the system."

Experts See Push to Curb Currencies

(Continued from Page 1)

particularly when the levels of inflation varied from country to country.

Yet, few countries are happy with the nonsystem that they settled upon in the early 1970s. They then decided to let currencies "float" in the market, permitting bankers, business executives, governments, international traders and speculators to determine exchange rates through buying and selling of currencies.

But the Reagan administration has lost faith in the policy, in part because of the strength of the dollar, which in the last four years has risen more than 40 percent above the average of other major currencies.

United States can make or break any worldwide move towards currency revision. The first hint of a change in this policy came last April, when U.S. Treasury Secretary James A. Baker 3d told financial ministers from major industrial nations that the United States would "consider the possibility" of holding a monetary conference.

On Sept. 22, with the U.S. trade deficit fueling protectionist moves in Congress, Mr. Baker took a major step toward a more managed currency market by agreeing with four other major industrial powers — Japan, West Germany, France and Britain — that the dollar was too high. The officials said that they "stand ready" to force the U.S. currency down and since then the dollar has fallen 6 percent against an average of 15 major currencies.

It is possible that the administration may go no further than its Sept. 22 commitment. Some critics of the "benign neglect" policy say that a simple endorsement of joint intervention when a currency falls out of line is sufficient to handle the problem.

He compared the idea of strategic defense to the development of gas masks after World War I when all nations outlawed poison gas, but everybody kept their gas masks.

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Experts See Push to Currencies

(Continued from page 4)
 particularly when the dollar is strong. The dollar has been strong since the end of 1983, and it is expected to remain strong for some time. This has led to a push for currency reform in many countries. Experts see a push to reform currencies, particularly in the context of the dollar's strength. The dollar has been strong since the end of 1983, and it is expected to remain strong for some time. This has led to a push for currency reform in many countries. Experts see a push to reform currencies, particularly in the context of the dollar's strength.



President Suharto, left, meets with Yakov P. Ryabov, the Soviet deputy prime minister.

Suharto Rejects \$180-Million Soviet Loan

JAKARTA — Indonesia has refused a Soviet offer of a \$180-million loan to build three hospitals, the economy minister, Ali Wardhana, said Wednesday. He made the comments after a meeting between the Soviet deputy prime minister, Yakov P. Ryabov, and President Suharto.

Mr. Wardhana said that Indonesia could not agree to the loan terms Moscow had offered, but he declined to give details. The Soviet minister said he and Mr. Suharto had held long talks Wednesday on ways of increasing trade and economic cooperation.

Mr. Ryabov, here on a five-day visit, is the most senior Soviet official to travel to Indonesia since President Suharto rose to power after suppressing a Communist-backed coup attempt 20 years ago.

Mr. Wardhana said the Soviet Union sought to buy Indonesian coffee, tea, cocoa, palm oil and tapioca. However, he said, Moscow had insisted on a barter system not favored by Indonesia.

Amid Fanfare, 45 Philippine Rebels Surrender

By Abby Tan
DIPOLONG, Philippines — The sleepy city of Dipolog, capital of Zamboanga Del Norte province in western Mindanao, woke up Wednesday when 45 rebels of the Communist New People's Army and more than 3,000 former sympathizers converged for a public surrender to government forces.

It was part of a recently announced public relations campaign intended to persuade the United States and others that the government is in control of the insurgency situation.

The official Philippine News Agency said that the rally constituted the biggest Communist surrender on Mindanao this year, "virtually confirming" a government announcement several days ago that the rebels were "surrendering in droves."

The assertion contrasted sharply, however, with a recent statement by the acting Philippine military chief of staff, Lieutenant General Fidel V. Ramos, who said that the rebel force had grown to as many as 12,500. This number exceeded recent estimates by Mr. Marcos.

In Manila, meanwhile, President Ferdinand E. Marcos raised the need to define the obligations of the United States under its military bases agreement with the Philippines. And in Moscow, his wife, Imelda, announced the opening of a new era of friendship and mutual cooperation with the Soviet Union.

At the surrender ceremony, the Communist rebels, including 10 women, gave up 80 rifles, carbines, shotguns and rusty pistols. Other paraphernalia associated with the rebels and put on public display were notebooks on fighting strategy, knapsacks, binoculars and two ballot boxes they had taken from a previous election exercise.

The former sympathizers, who had provided food, money and comfort to the rebels, came from seven nearby municipalities. On Wednesday, in front of the town hall in Dipolog, a few minutes drive from Polanco, a few minutes drive from Dipolog, they raised their hands to pledge their allegiance to the Marcos government.

Polanco is at the center of area of the province that is heavily infiltrated by rebels. The former sympathizers carried placards reading: "Let's fight the NPA." Others urged the military to stay on to eradicate the Communists.

Local officials claimed that repressive taxes imposed on the peasants by the rebels had led many sympathizers to switch their allegiance to the government.

One of those who surrendered was Bennie Fajente, 22, known as Commander Ligaya. After leading 27 of her men to the ceremony, she said in a public address: "Do not believe the NPA. So many civilians have been killed without sufficient reason. The NPA has misled and confused the people."

Commander Ligaya later said that she joined the rebels at the age of 12 and began military training at 19. Asked how many people she had killed in ambushes, she looked to the ground and whispered: "Twenty-four."

During her visit to Tolosa in the Soviet Union, Mrs. Marcos was quoted as saying to Pavel Gilashvili, chairman of the Georgian Soviet Socialist Republic, that "these cordial and warm relations between the Philippines and the Soviet Union serve as an important anchor of peace and stability in the Southeast Asian region."

The palace statement quoted Mr. Gilashvili as saying that the Georgian republic "is ready to do anything our friends from the Philippines want."

In a meeting with American business executives, Mr. Marcos said there was consensus among both Filipino and U.S. military officials that "we define more accurately what exactly are the obligations of each country with respect to the military facilities."

This clarification, he added, should address this question: "Is it obligatory on the part of the United States to give that compensation package which calls for \$900 million and if so, in what form?"

Under terms of a five-year agreement that expires in 1989, the United States pays Manila \$90 million, of which \$475 is economic aid and \$425 is military aid.

There have been frequent conflicts between Washington and Manila about whether the compensation is rent for the bases or is foreign aid. Whether the U.S. Congress has the right to determine annually the amount of compensation also has been disputed.

Mr. Marcos said the Philippines considers the payments obligatory.

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South Korean Criticizes North Over Talks

By Don Oberdorfer
WASHINGTON — Prime Minister Lho Shin Yong of South Korea, declaring that the nearly year-long dialogue between the two Koreas has been discouraging, said it seemed that North Korea was "not interested in producing any tangible results out of the talks."

Mr. Lho, in Washington to confer with Vice President George Bush, Secretary of State George P. Shultz and other officials, said Tuesday that despite a lack of progress, "there is no other way but to talk" with North Korea. He pledged that South Korea "will be patient."

Further meetings of South-North committees on economic affairs and humanitarian issues are scheduled for late November. The dialogue between the two governments on the divided peninsula resumed Nov. 15 after a four-year break.

Mr. Lho, a career diplomat who served as foreign minister and chief of the national intelligence agency before becoming prime minister in February, said North Korea had five objectives in resuming the long-dormant dialogue:

- Recovering from the "very big blow" to North Korea's reputation from the terrorist explosion that killed 17 South Korean officials in Rangoon, Burma, in October 1983.
- Attracting foreign capital to cope with "chronic economic difficulties."
- Convincing Washington of its peaceful intentions to encourage the withdrawal of U.S. military forces from the South.
- Relaxing the anti-Communist posture of South Korea.
- Placating China's demands for relaxation of tension on the peninsula.

The prime minister said his country had carefully noted the State Department's permission for two North Korean scholars, Choe Jin Hyok and Kim Chang Il, to attend an Asian studies conference in Washington last weekend.

The Reagan administration explained that granting visas to North Korean scholars, which had not been done before, "has nothing to do with official and direct contact between Pyongyang and Washington," Mr. Lho said.

Nonetheless, he expressed concern that North Korea would see the action as "a small hole in the door of the United States" that could substitute for the pursuit of accords with the South.

Mr. Lho had a brief encounter last week at a diplomatic dinner in New York with the North Korean vice president, Pak Sung Chul, without substantive results.

Mr. Lho denied a North Korean charge that he had rebuffed a bid for a full-scale meeting with Mr. Pak, saying that a session had been persistently proposed by Pyongyang's representatives for a time that could not be fit into his schedule during his visit to the United Nations.

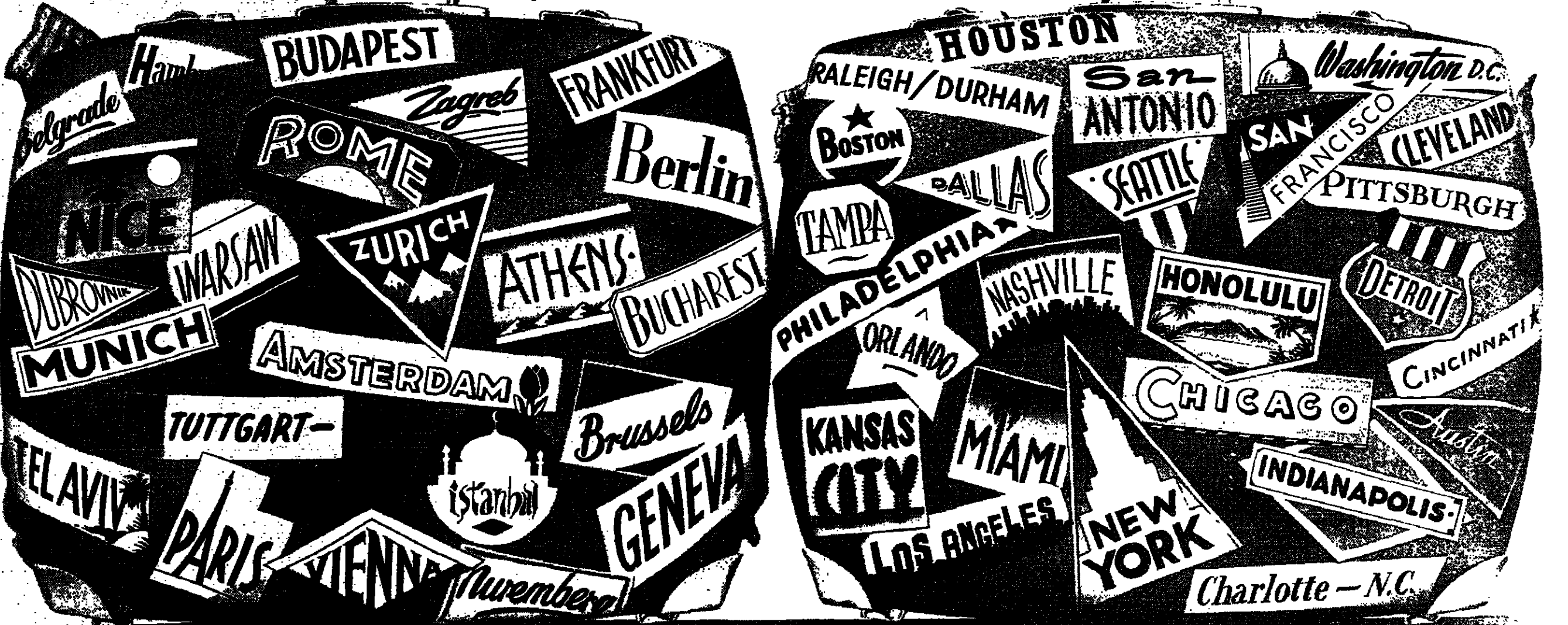
Tories Lead Labor Party By A Point In U.K. Poll

LONDON — An opinion poll published here gives Britain's ruling Conservative Party a one-point edge over the opposition Labor Party, the second poll in three days to put Prime Minister Margaret Thatcher's party in front.

The poll, carried out by Market and Opinion Research International for London's Standard Newspaper and published Tuesday, gave the Tories 37 percent, Labor 36 percent and the alliance of Liberals and Social Democrats 25 percent. Other parties got 2 percent.

Prosecutor Indicted in U.S.
BOSTON — A former prosecutor with the New England Organized Crime Strike Force, David P. Twomey, has been indicted for selling drug dealers information about investigative plans and pending indictments.

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Herald Tribune

Published With The New York Times and The Washington Post

A Few Hostages Benefit

The Kremlin's customary pre-summit tightening on human rights is on view. Evidently Andrei Sakharov's wife will soon be allowed to go abroad for the medical treatment that she has been seeking through her years of internal exile. Meanwhile, Moscow moved expeditiously to keep the fate of the Soviet sailor who jumped ship in New Orleans from becoming an inflamed public issue. On the eve of the last summit the Soviets exchanged five political prisoners for two convicted spies held in the United States. This is the pattern.

It is a pattern bound to trouble many people in the West. The evident purpose is to deflate human rights as a summit issue. This is easy to do. Moscow need only wave its wand over the likes of Mrs. Sakharov, wife of the dissident physicist, and Miroslav Medved, who became a chance celebrity by jumping a grain ship. The Kremlin looks like a kindly godfather, and a few flesh-and-blood individuals benefit.

Mrs. Sakharov may soon leave; it is implicit that her husband may follow. Mr. Medved got the opportunity to say, in a setting that an attentive Reagan administration found conducive to free choice, whether he wanted to stay or go home. It is a good thing, by the way, that the administration intervened firmly to

ensure his choice after the Border Patrol twice returned him to his ship without having reliably determined his circumstances and views.

The sad fact remains that, in the arbitrary Soviet system, no relief is available for Soviet citizens other than by Kremlin calculation. People who have felt that Soviet society would eventually mature in this direction have been repeatedly disappointed. The arbitrariness that allows Moscow to make a gesture now is the quality that has allowed it for years to deny Western human rights appeals as alleged interference in an internal Soviet matter.

The new Soviet leader, Mikhail Gorbachev, apparently would like to be known as a reformer. But he came up as a protégé of veteran KGB chief Yuri Andropov, and reform in the Soviet context has more to do with discipline than with individual rights. President Reagan cannot dissuade him, especially gestures that help real people. Nor can he appear satisfied by gestures to a token few. His test is to convey the widespread American conviction, which amounts to a political fact of life, that the way Soviet citizens are treated inevitably affects the readiness of Americans to improve relations with the Soviet government.

—THE WASHINGTON POST.

Let Both Sinners Repent

America buys \$40 billion more from Japan than it sells there, but that, Japanese policy-makers say, has little to do with protectionism. The real cause is the torrent of foreign capital being sucked into the American economy.

They are right. Even if Japan eliminated every restraint on imports, the U.S. trade deficit would narrow by no more than \$5 billion. But trying to tell that to hard-headed American manufacturers of computer chips, tractors or machine tools. They are not likely to be mollified by abstraction. They want relief in the form of tariff or quota barriers, an approach that would be ruinous for both economies.

The sound alternative is a combination of American fiscal constraint and expansion of the Japanese economy. The United States, however, is dithering, and Japan, to judge by the measures it has just announced, is not much closer to doing what needs to be done.

Japan is, like the United States, a trade sinner. America protects sugar, clothing and steel. Japan protects beef, air travel and plywood. Japan is slowly yielding to foreign pressure to reduce trade barriers, even as America is yielding to domestic pressure to raise them. But, as practically everybody agrees, Japan's trade surplus will not melt quickly.

Common sense suggests that the big Japanese trade surplus should automatically self-destruct. Either the Japanese would spend the dollars they are accumulating, evening out the trade flow; or they would become increasingly reluctant to accumulate still more dollars, making Japanese goods more expensive to American consumers. But common sense ignores the role of thrifty Japanese savers. They are not spending their dollars but investing them in American assets. Hence the dollar remains strong despite the trade deficit.

One way to impede this return flow of dol-

lars is to make America a less attractive place in which to invest surplus savings. A recession or a nasty bout of inflation would probably do the trick. A more constructive way would be to cut the federal budget deficit, reducing Uncle Sam's need to borrow and allowing interest rates to fall. When will that obvious necessity occur? Don't hold your breath.

Another way would be for Japan to increase internal demand, diverting purchasing power from foreign securities. That is the nominal goal of Prime Minister Nakasone, who has announced yet another plan to stimulate investment in public works, housing and auto purchases. But the impact is likely to be very modest, merely a new gesture to American critics like his earlier plea to buy American.

It is easy to understand why Americans are unwilling to tighten their belts, but what explains Japan's reluctance to spend more and live better? The only effective short-term way to stimulate demand is to cut taxes or raise public spending, increasing the budget deficit to politically unacceptable levels. Another reason may be the difficulty of managing any rapid change in a culture that operates on consensus. A more important reason is probably the perception among Japanese that they are being asked to bear the responsibility for other countries' weaknesses. They do not work too hard; others work too little. They are not excessively thrifty; others are profligate. The polite face of diplomatic Japan masks a growing resentment of foreign criticism.

The Japanese have a case. But in an interdependent world economy, neither country can afford the luxury of a debate over who holds the high moral ground. If both do not do a much better job of coordinating domestic economic policies, both will be the losers.

—THE NEW YORK TIMES.

Other Opinion

The Kremlin Postpones Utopia

Utopia is postponed. That is official. The Soviet Communist Party says as much in its draft party program, which admits that the road to true communism is rockier than it earlier thought, and that capitalism is the pushover it once hoped. In sum, the new program shows the eastern superpower's ruling elite to be more realistic, and possibly therefore easier for the rest of the world to handle.

The 1980s so far have seen little Soviet expansionism. One factor in this is the Soviet party's view that capitalism, by which it means the West, is "still strong and dangerous," and though historically doomed (of course), has bought time for itself "by constantly maneuvering to adjust to the changing situation." This may be a backhanded admission that the West has, for all its problems of unemployment and inflation, launched its economy into a new industrial era in which the Soviet Union is finding it hard to compete.

—The Financial Times (London).

Top Priority to a Stronger Yen

We repeat our request that the U.S. government and Congress continue their efforts to reduce the fiscal deficit, which prompted the strong dollar, and that the Japanese government give top priority to realizing a stronger yen through fiscal and monetary policies. There is no room for optimism for Japan, which must further step up efforts to expand its market, in addition to a stronger-yen policy.

Prime Minister Nakasone [has] said that free trade is bound to give some pain to domestic industries in many countries. To protect free trade, Japan must bear its share of pain.

—The Mainichi Daily News (Tokyo).

Aged 50 and Worth Reviving

Happy birthday to the Volkswagen beetle, 50 years old this month. Shrewd marketing and engineering made the ugly little bug the most popular car ever produced. It was cheap to buy and service, fun to drive and easy on gas. In the America of the 1950s it became the thinking person's car—a demonstration of independence from size, tail fin and horsepower.

In the '60s it was everyone's sensible car. Volkswagen has manufactured more than 20 million bugs; indeed, they are still rolling off assembly lines in Mexico and Brazil.

The basic beetle disappeared from American showrooms in 1975 because, Volkswagen says, it was no longer cheap and the little air-cooled engine in the rear was not adaptable to emission controls. As a product of the 1930s the beetle also faced growing competition from Japanese cars designed for the 1970s. Sales in Western Europe are just now coming to an end, but Volkswagen plans to continue production for Third World consumers.

We suspect that a lot of wistful demand remains in at least one industrial country. To recapture America, let VW address the emissions problem and reissue the bug, painted Coca-Cola red, and call it the Classic.

—The New York Times.

FROM OUR OCT. 31 PAGES, 75 AND 50 YEARS AGO

1910: Labor Unrest Grows in Britain
LONDON — There are renewed symptoms at present of the unrest analyzed by Sir Edward Grey, the foreign minister, as due to a worldwide movement for economic equality. The troubled areas, says the "Morning Leader," are the South Wales coal field, where 25,000 men threaten to strike owing to a dispute between a mine manager and a miners' agent; the shipbuilding centres, where a lockout has been in force for several weeks and an effort to bring the employers and men together is about to be made, with doubtful results; and the Great Eastern Railway, where there is a disputed interpretation of an arbitrator's award.

1935: Boys Rule on Halloween Night
PARIS — Tonight is Halloween, and although bats and cats, witches and hobgoblins no longer drive the good folk to bar their doors and creep closer to the fireside, hundreds of small demons in short pants will substitute for their supernatural counterparts and roam the countryside, inflicting mischief and leaving havoc in their wake. For Halloween in America has long lost its religious significance and become the national holiday of the small boy. On October 31st America not yet out of knickerbockers considers that it has carte blanche to turn loose its instinct for minor mayhem. For one night, America is in a state of siege.

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A Joint Appeal to Reagan and Gorbachev

This joint statement is addressed to Ronald Reagan and Mikhail Gorbachev. It was drafted earlier this year, completed in New York last week and made available to The New York Times by the Swedish government. The statement was signed by President Raúl Alfonsín of Argentina, President Miguel de la Madrid of Mexico, Prime Minister Olof Palme of Sweden, Prime Minister Rajiv Gandhi of India, President Julius Nyerere of Tanzania and Prime Minister Andreas Papandreu of Greece.

THE world's highest expectations are focused on your meeting in Geneva next month. All peoples and governments hope that you will be able to stop the deepening of tensions of the last years, opening an era of peace and security for humanity.

You know, as we do, that the growing stockpiles of nuclear weapons, if used, even though by accident or by miscalculation, will engulf us all in complete destruction. No interest can justify this threat to present and future generations. Hence, the prevention of nuclear war is a key issue not only for your peoples and their destinies but for all people on every continent. Since the citizens of all nations are equally threatened by the consequences of nuclear war, it is of utmost importance to us also that your meeting should create appropriate conditions and produce concrete steps toward disarmament and peace.

The tragedy of our time is that, mainly due to mutual distrust, so far it has been impossible to end the nuclear arms race. For your own security and that of all nations and human beings and in order to ensure the preservation of the planet we all share, it is of paramount importance to build mutual confidence.

Your meeting offers a historic opportunity to step boldly out of the vicious circle of the escalating arms race. We hope that through the demonstration of will to establish mutual confidence by overcoming differences, new impetus will be imparted to your bilateral negotiations and also to multilateral negotiations in Geneva, Stockholm and Vienna.

We recognize as a positive development that

during the present year your governments have initiated in Geneva negotiations covering both space and nuclear arms to be considered in their interrelationship. We are concerned that such negotiations have not yet produced results. We feel, however, that various recent proposals and developments seem to offer new hope that both deep cuts in the arsenals of nuclear weapons and effective measures for the prevention of an

"We propose that you suspend all nuclear tests for a period of 12 months. Such a suspension could be extended..."

arms race in outer space will now be seriously considered in the bilateral negotiations in Geneva in conformity with the conclusions we expect you to reach at your meeting.

In our Delhi declaration of January this year, we called for a complete halt in the testing, production and deployment of nuclear weapons and delivery vehicles, and of space weapons, to be immediately followed by substantial reductions in nuclear forces. This would facilitate the task of preventing an arms race in space and terminating it on Earth, ultimately eliminating nuclear arms everywhere.

Since January, some of us have had the privilege of discussing our proposals with you in person, as well as with the leaders of the other nuclear weapon states. One suggestion which we

particularly emphasized in our message from Delhi was for a halt to all nuclear weapons testing and the early conclusion of a comprehensive test ban treaty. In the light of these valuable discussions, we have decided to put forward some ideas for consideration at your meeting in Geneva.

We propose that you suspend all nuclear tests for a period of 12 months. Such a suspension could be extended or made permanent. We expect that the other nuclear weapon states also should take corresponding action.

We believe that this would improve greatly the prospects for substantive agreements and would restrain the development of new, faster and more accurate weapons, which continues unabated even as negotiations are under way. The problems of verifying the suspension we propose are difficult, but not insurmountable. We believe that you yourselves could find a solution satisfactory to both.

If you would consider it helpful, we are ready to offer our good offices in order to facilitate the establishment of effective verification arrangements. Third party verification could provide a high degree of certainty that testing programs have ceased. We propose to establish verification mechanisms on our territories to achieve this objective.

The responsibility entrusted to you is indeed awesome. We are convinced that the international community will support you in your endeavors. For our part, we reiterate our readiness to work together with you for the common security and survival of humanity.

The New York Times.

The Soviets Can Hardly 'Start Over'

By George F. Will

WASHINGTON — It is paradoxical but true. The task of conservatives is to pull a conservative president, and U.S. diplomacy generally, out of the 19th century and into the 20th. This conclusion is compelled by President Reagan's peculiar and opaque rhetoric about a "fresh start" in U.S.-Soviet relations.

This conclusion is paradoxical because conservatives have a retrospective cast of mind. Their cardinal virtue, prudence, involves mining the past for instructive precedents and proven institutions and procedures. Furthermore, the greatest figures of 19th century diplomacy—Metternich, Wellington, Bismarck, Disraeli—are in the conservatives' pantheon.

Nevertheless, the conservative problem today is that President Reagan, although a defender of contemporary conservatism, subscribes to a model of diplomacy that reflects the 18th century liberal mind. This is so even though the model was adopted by those 19th century conservatives.

The problem is the radical newness of a kind of 20th century regime, and the depressing oldness of rhetoric about a "fresh start."

What did President Reagan mean by that? Indeed, what could he mean? He is painfully fond of the least-conservative sentiment conceivable, a statement taken from an anti-conservative, Thomas Paine: "We have in our power to begin the world over again." Any time, any place, that is nonsense. But that may have been how things looked in 18th century America, on the thinly populated

fringe of an unexplored continent, or in revolutionary France, in the first flush of upheaval.

Many people then believed in "fresh starts," either because society was not yet planted thick with institutions or because old institutions suddenly seemed fragile. They believed that people everywhere were similar, essentially good and easily educable. "The present age," said Paine, "will hereafter merit to be called the Age of Reason, and the present generation will appear to the future as the Adam of a new world."

Some also believed, with Paine, that the "science of government" is "of all things the least mysterious and the most easy to be understood," for "men have but to think and they will neither act wrong nor be misled."

Mr. Reagan has repeatedly used Paine's words about beginning the

This 'Reagan Doctrine' Is Only Words

By Philip Geyelin

WASHINGTON — President Reagan's address to the United Nations General Assembly was a political document, calculated to get the United States off the arms control defensive and onto a "broader" agenda for the Geneva summit. But to see it as a summit game plan is to suggest that it is not also authentic Reagan policy. There is the pity. As a tactical stroke the speech made a certain sense. As policy for the real world, it makes almost no sense at all.

The more you examine the speech, the more apparent it is that this is vintage Reagan policy. What was heard in the General Assembly was a Reagan doctrine for foreign policy.

That is not the kindest thing to say when you consider the shelf life of presidential doctrines: Truman's, Eisenhower's, Nixon's, Carter's. But I am only picking up on what has been said by such as Jean Kirkpatrick and the crowd at The Heritage Foundation, a conservative think tank which is about as close to the ideological hard core of the Reagan White House as you can get without being in it.

Heritage is a "Reagan doctrine." Not long ago on "Reagan doctrine," Representative Jack Kemp called on Mrs. Kirkpatrick to present what she called her "formulation of the operational code that I believe to be present in the president's views and policies of the last four and one-half years." Her statement was subsequently put out in a pamphlet with the title, "The Reagan Doctrine and U.S. Foreign Policy."

"The point of departure of Reagan doctrine," Mrs. Kirkpatrick said, "is the idea of freedom." At the "core" of his world view, Mr. Reagan now says, is "an eternal truth: Freedom works."

Mrs. Kirkpatrick said, "The president's response to imperial growth of the U.S.S.R. has been to clearly affirm American solidarity with people struggling to prevent their incorporation into the Soviet empire or to regain their freedom." That is what Mr. Reagan told the United Nations.

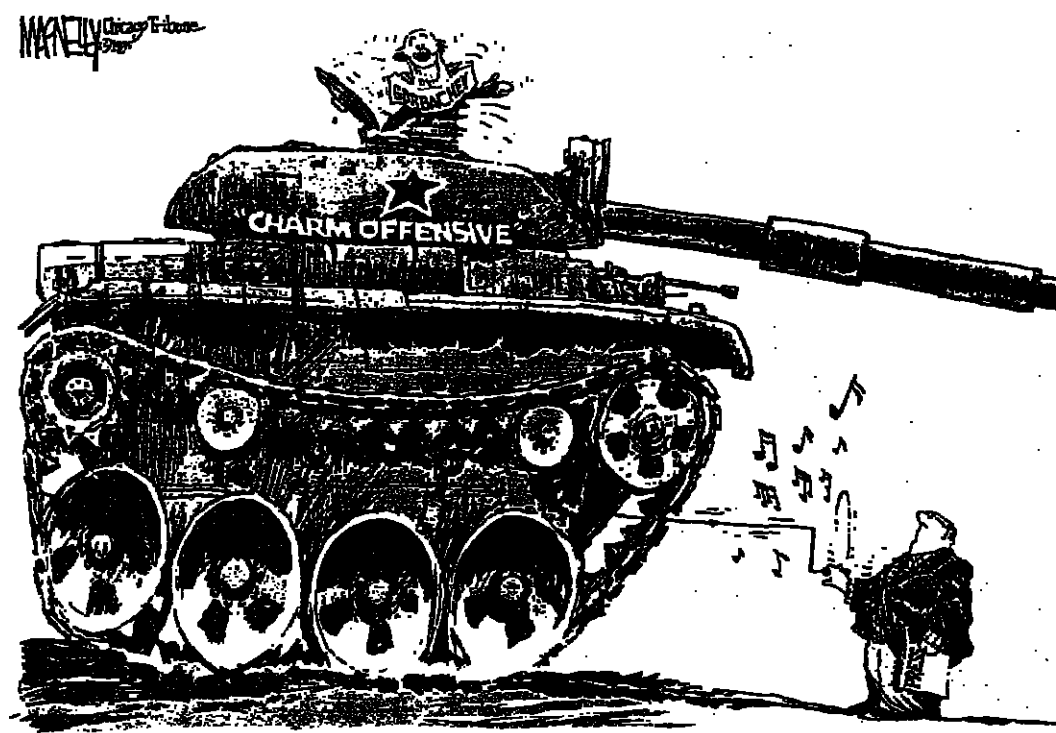
Mrs. Kirkpatrick found her Reagan doctrine in a passage in the president's State of the Union message back in January 1984: "We must not break faith with those who are risking their lives on every continent, from

with — "only enough to die with."

Yet successful U.S. support for anti-Communist insurgency seems to have been the centerpiece of the Reagan administration's approach to East-West relations for at least two years. The president was not talking summit tactics when he laid down in 1984 what his ideological soul mates have seized upon as a Reagan doctrine.

So you have to believe that the president meant it when he said last week that "the promise of the future lies not in measures of military defense or the control of weapons, but in the expansion of individual freedom and human rights." And if that is the agenda for the Geneva summit, you also have to wonder whether its epitaph will be any cheerier than John Kennedy's for the Vienna summit in 1961. "It's going to be a cold winter," he told Nikita Khrushchev.

Washington Post Writers Group.



world "over again," concerning domestic policy. One result of his sincere belief in "fresh starts" is the budget deficit. The theory was that America would cut taxes and then compensate for the lost revenues by cutting spending. It would start "over again," making a "fresh start" in defining federal social roles, as if the New Deal and the Great Society had never happened. But it is, it seems, impossible to start over again at even, say, 1965 levels of social spending. It is not even possible to make a "fresh start" without Amtrak.

Applied to domestic policy, the idea of a "fresh start" has produced fiscal problems. Applied to foreign policy, it can produce disaster.

Americans believe in "fresh starts," meaning limitless possibility, because they think that all people, and all regimes, think "economical-

ly," rationally calculating how to enhance essentially similar interests.

That assumption would be true, or true enough, were the world as Paine thought it was. He said there were just two types of government: those "by election and representation" and those "by hereditary succession." He predicted that all governments would soon be representative. Then "nations will become acquainted, and prejudices fomented by the intrigues and artifices of courts will cease."

The 19th century was not that serene, but it was relatively tranquil. Irving Kristol, writing in "The National Interest," a new foreign policy quarterly of conservative bent, says that 19th century diplomats represented regimes that regarded one another as permanent presences. They defined national interests in limited and familiar ways that allowed conflicts to be resolved by splitting differences. Sometimes the splitting was done after wars, but they were limited wars. Governments maneuvered to alter, but not obliterate, the "equilibrium" among powers. The rules of that game of nations allowed for time-outs, and for fresh starts.

The rules changed radically with the eruption in this century of totalitarian regimes whose foreign policies reflect domestic arrangements resting on lies and terror. Regimes that derive their claims to legitimacy from ideologies that legitimize limitless violence are not interested in the 19th century ideal of "equilibrium."

Today's synonym for "equilibrium" is "stability." We seek a "stable" relationship in strategic arms, and "stability" in regional conflicts. The Soviet Union desires stability in theory and assails it in practice.

America is a nation of poker players. Poker is a game of fresh starts — play a hand, shuffle the deck, deal again. The Soviet Union plays chess and pursues endgame.

Washington Post Writers Group.

LETTERS TO THE EDITOR

A Peres Offer to Take Up

It is hard to follow William Pfaff's logic in "Behind Peres's Offer, a Note of Desperation" (Oct. 26). Israel has made proposals. "Why should Jordan cooperate?" asks Mr. Pfaff. Why should it? Israel has offered to negotiate within the context of an international forum and to do so with Palestinians. The aim of the talks is to terminate the state of war and define permanent boundaries. Nothing has been determined in advance, so why not talk? Israel withdrew totally from the Sinai in exchange for a peace treaty. The West Bank is a more complex affair, but until the parties begin talking, nothing will be solved.

BARRY SHENKER, London.

Good and Bad Murder?

The reams you gave us about the Achille Lauro and Leon Klinghoffer contrast sharply with your brief in a side-page treatment of the brutal bombing death in Los Angeles of an official of the Arab-American Anti-Discrimination League, Alex Odell ("Bomb Kills Arab-American Activist," Oct. 12). Are you trying to tell us that Mr. Klinghoffer's brutal slaying was front-page news because it came at the hands of Palestinian terrorists, while the Los Angeles killing, obviously the work of pro-Israeli terrorists, was of secondary importance because it involved an Arab? Are there "good" terrorists?

JAMES V. CROTTY, Parede, Portugal.

Neither Elegant Nor Chic

I was disappointed to see your Oct. 5 issue give front-page coverage to Mrs. Gorbachev's style of dress — "elegant, not chic." I would have expected to read this with interest under, say, Arts & Leisure.

Americans living abroad are too

Deadlines Heighten A Drama

By Flora Lewis

PARIS — Almost all players in the endless Middle East drama are in motion again. Whether their myriad signals mean that at last there is a real chance for peace negotiations or whether it is just another turn of the merry-go-round remains to be seen.

Shimon Peres, repeatedly getting started before the end of this year, for good reason. He has only until next October in office before he must step down in favor of Likud's Yitzhak Shamir, under the agreements that created the coalition government. Engagement in talks serious enough to convince the Israeli public that there is a fair prospect of peace is probably the sole ground on which he could successfully break the deal.

Ironically, the "rotation" accord, which looked like a grave weakness when it was made a year ago, has strengthened Mr. Peres's case considerably. It is a powerful deadline for Jordan, because Mr. Shamir and his party have made no secret of their desire to annex occupied lands and refuse any territorial concessions.

There is a double deadline, although the second one is less precise. It is the growing weakness of President Hosni Mubarak in the face of domestic unrest. Israel has no doubts about his loyalty to their peace treaty, but if he should fall before the treaty is broadened to Jordan, a new leader in Cairo might not hold firm.

The two deadlines are pressing in various ways on all who are involved. King Hussein still seems to hope that Yasser Arafat will finally carry out the conditions that Mr. Arafat accepted last spring so that Jordan can negotiate on behalf of the PLO.

To Syria's evident satisfaction, Mr. Arafat has weakened himself so badly that his choice may be only to support King Hussein or fade into impotence on the sidelines. His base in Tunis is shaky, and if he has to move once again to Iraq, his commandos will be periodically out of striking distance from Israel.

Syria, as usual, is a crucial enigma. But its newly warming relations with Jordan are not worrying Mr. Peres. President Hafez al-Assad may be coming to prefer playing a role in an international peace process, without Mr. Arafat, to trying to break it up and risk being left out.

Shifts in Soviet policy are of special importance. Mikhail Gorbachev has said he will not decide before his summit meeting with President Reagan. But he is sending messages that he is prepared to move dramatically on Jewish emigration and limited relations with Israel if the U.S.-Soviet climate is favorable. The French offer to stir Jewish emigrants directly from the Soviet Union to Tel Aviv is based on private exchanges that make that a real possibility.

The Russians have told Western diplomats that they made a mistake insisting in the past that the people they let out must go somewhere other than Israel first, because then large numbers want to America instead. That undermined the claim that the movement was only reuniting families, not a special exit privilege for Jews that is denied to other citizens.

The Russians are aware that under Israeli law, arriving Jews immediately and automatically acquire Israeli citizenship. Under American law they would then have to apply for American visas in the Israeli quota rather than under the far more generous provisions for admitting refugees.

It is not at all clear what Mr. Gorbachev will ask from Mr. Reagan. Large-scale emigration would be a brilliant success for the president's human rights program. That should be an additional incentive to make the summit conference work well.

The urgent Soviet desire to participate in an international conference that would provide an umbrella for Israeli-Jordanian negotiations shows that Moscow now takes the possibility of talks seriously and is determined not to be left out. Recently, a high-level Soviet diplomat repeated to a senior Israeli ambassador that in the current Moscow judgment it was a mistake to break relations with Israel after the 1967 war.

Mr. Reagan's surprising omission of the Middle East from the list of regional trouble spots in his United Nations speech is a sign that diplomacy on this issue may be too promising to disturb with futile rhetoric. But, but, but... There are bound to be attempts to blow up this delicate dance to the peace table. If the deadlines are missed, it could take a long time to line up another chance.

The New York Times.

Freedom in Europe, Too

The New York Times editorial "What Reagan Did Not Say" (Oct. 26) takes President Reagan to task for not mentioning apartheid when he said that "freedom is not the sole prerogative of the chosen few, but the universal right of all God's children."

Very well. But, then, should The New York Times, and you, Sir, not champion also the right of all East Europeans whose freedom and human rights are flouted incomparably more than those in South Africa?

As free Romanians see it, Mr. Reagan castigated the Soviet Union for the present shooting conflicts, brought about by Moscow's direct intervention. We applaud him for it.

JON RATIU, Zermatt, Switzerland.

SCIENCE

Edmond Halley: 'The Man Orbits Forever in the Shadow of the Unmatched Newton'

By John Noble Wilford

New York Times Service

TOWARD the end of his long life, Edmond Halley was writing of his prediction that the comet he studied in 1682 would return in 1758 or 1759. He knew he would not live to see if his calculations

were correct. But he expressed the hope that "candid posterity will not refuse to acknowledge that this was first discovered by an Englishman."

"Candid posterity" has been, in one sense, generous to Halley. His name is forever associated with

comets — although often mispronounced (it is Halley as in "alley"). Halley did not discover his comet. His contribution was to determine that comets do not travel straight lines or parabolic orbits, but in elliptical orbits, in a sort of squashed circle, thus making periodic visits to the inner solar system.

By plotting with care the characteristics of their orbits, he concluded that it was possible to predict their many returns, as he did with "his" comet. On Christmas night in 1758, the comet was seen again as he had predicted. And still faithful to his calculations, the comet that last appeared in 1910 is back again this year, now about 100 million miles (160 kilometers) away and traveling 66,000 miles an hour. It will make its closest inbound approach to Earth on Nov. 27, passing within 58 million miles. By the end of the year the comet should be visible with ordinary binoculars and small telescopes. Then next March, after the comet has swung around the Sun, it will be observed up close for the first time by an international armada of spacecraft.

POSTERITY has been less than generous to Halley in ignoring his other contributions to science. He was an innovative cartographer, student of geomagnetism, inventor of a deep-sea diving bell, author of the first actuarial mortality tables and captain of a bold seagoing scientific expedition. As a mathematician and astronomer, his primary calling, Halley was a pivotal figure in the scientific revolution set in motion by Copernicus a century earlier and advanced by the increasing use of telescopes in observing the workings of the universe.

But Halley was eclipsed in history, because one of his contemporaries was Isaac Newton. The two men were a study in contrasts, as Philip Morrison, a physicist at the Massachusetts Institute of Technology, writes in the November issue of Scientific American. "Halley the man orbits forever in the shadow of the unmatched Newton, but he was a gifted, original, versatile and productive scientist, and a human being as adventuresome, generous, loving and sweet as Newton was retiring, cold, solitary and austere."

Yet they became colleagues. It was Halley who encouraged the retiring Newton to write down the principles of gravitation he had developed after years of thought supposedly inspired by the legendary falling apple. Newton recognized that gravity on Earth represented the same law of force as that affecting the motion of planets around the Sun. Halley edited the manuscript and arranged financing for publication in 1687 of Newton's great book, "The Mathematical Principles of Natural Philosophy."

Halley's encouragement of Newton was perhaps his greatest contribution to science, according to Alan Cook, a professor of natural philosophy at Cambridge University in England. But in applying Newton's laws of gravitation in making his comet prediction, Halley went an important step further. His correct prediction turned out to be the first direct confirmation of Newton's theories.

HALLEY was born near London on Nov. 8, 1656, into a well-to-do mercantile family. His father recognized early the "promising genius" of young Edmond and saw to it that he was provided with books and the "curious apparatus" for observing the planets and stars. While a student at Oxford Univer-

sity, he published his first scientific report, based on his observations of Jupiter and Saturn. At 20, he established his reputation as a professional astronomer on an expedition to the South Atlantic, where he compiled the first authoritative catalog of the southern skies.

In 1680, the young astronomer made his first attempt to plot the course of a comet, and he made a hash of it. The fault lay not in Halley's mathematics, but in the conventional scientific wisdom about comets. It was wrong.

The Polish scholar Nicolaus Copernicus had in 1543 exposed the notion of an Earth-centered universe as nothing but a human conceit. The Sun did not move around a fixed Earth; the Earth moved around the Sun. Johannes Kepler, the German who inherited the meticulous observations of Tycho Brahe, the Danish astronomer, determined that the orbit of a planet was not circular, as had been assumed, but was an ellipse with the Sun at one focus. Meanwhile, Galileo Galilei in 1609 had peered through the first telescope at Jupiter and seen for the first time the four large satellites orbiting the giant planet. This microcosm of the planetary system confirmed Copernicus' theory.

Still, astronomers hardly knew what to make of comets. Tycho Brahe had determined that they were not, as Aristotle had declared, atmospheric phenomena. But Kepler did not believe they obeyed his own laws of planetary motion. Comets, he said, traveled roughly in a straight line. They might fall into the Sun and be destroyed. Or, missing the Sun, they might swing around it and return to outer space. They would not, it was supposed, ever return again.

Stung by the failure with the 1680 comet, Halley made even more careful observations of the comet he saw through his home telescope in November 1682. This was the object that would someday be known as Halley's comet.

THE comet set him to thinking about the problem that was very much on the minds of many scientists of the day. Kepler had described the elliptical orbits of planets, but did not know why this was so. What was the force accounting for the motions of the planets and other bodies like comets?

In 1684, Halley met with Robert Hooke, a physicist, and Christopher Wren, the architect, at a London coffeehouse, and fell into a long discussion of the problem that prompted him to pay a visit to Newton in Cambridge. Newton told his visitor that he had solved the problem some years earlier and then laid aside the calculations. This was the genesis of Newton's universal laws of gravitation and of Halley's collaboration in having them published.

Halley, preoccupied by his other scientific interests, seems to have taken his time applying Newtonian principles to comets. In 1686, he had drawn what is considered the first meteorological chart, which illustrated the directions of prevailing winds over the oceans. This was the beginning of what is known as thematic maps, maps that illustrate the geographic distribution of information about climate, vegetation, population, wealth and just about any physical or abstract fact.

Similarly, on a sailing expedition he commanded, Halley plotted the variations of the Earth's magnetism and produced a map illustrating the variations as an aid to navigators using magnetic compasses. For the chart Halley introduced another

of his cartographic innovations, the isolines. These are lines on a map connecting points of equal value, the most familiar of which today are the contour lines on topographic maps that trace zones of equal elevation.

But Halley had not forgotten the comet of 1682. After an analysis of historical accounts, he became convinced that it was indeed possible for the same comets to re-appear many times.

In 1705, Halley first published his calculations and his prediction. "Many considerations incline me to believe the Comet of 1531 observed by Apianus to have been the same as that described by Kepler and Longomontanus in 1607 and which I again observed when it returned in 1682. All the elements agree. Whence I would venture

confidently to predict its return, namely in the year 1758."

One uncertainty had troubled Halley. The intervals of time between the visitations were not precisely the same, being off by a year or so. Recalling research he had done much earlier on Jupiter and Saturn, Halley suspected that gravitational perturbations from the giant planets could throw the comet off its course and timing. Newton, asked to ponder this, came up with gravitational calculations by which Halley was able to refine his predictions.

In his latter years Halley was

honored by being named the astronomer royal. He remained an enthusiastic scientific observer. As Professor Cook of Cambridge has pointed out, Halley at the age of 67 planned a series of lunar observations to last for 18 years — and he lived to complete the project.

Halley was sitting in his chair at the Greenwich Observatory when the end came on Jan. 14, 1742, in the 86th year of his life. He poured himself a glass of wine, took a long drink and then quietly passed away. His comet was still far away, but on course, as Halley had predicted.



Edmond Halley didn't discover his comet.

IN BRIEF

'Defensins' May Help Fight Disease

LOS ANGELES (NYT) — Scientists have discovered natural substances in human white blood cells that attack a wide range of germs, according to reports in the Journal of Clinical Investigation. The substances attack staphylococci and E. coli bacteria as well as some disease-causing fungi and viruses. The scientists at University of California at Los Angeles have named the substances "defensins."

They said that further analysis may make it possible to design artificial defensins superior to those that exist naturally and that their discovery may improve understanding of the body's means of resisting infections. The knowledge will eventually lead to improved treatment, they said.

The substances were found in the most common type of defensive white blood cells, neutrophils. Such cells are attracted to sites of infection, where they destroy invading microbes. The defensins are thought to be important in the process of destruction. The scientists found six varieties in rabbits' cells, and later identified three others in human neutrophils.

Wind Shifts Simulated in Laboratory

CAMBRIDGE, England (NYT) — Researchers at Cambridge University in England have developed a laboratory simulation of the sudden wind shifts known as microbursts that often plague aircraft in landings and takeoffs.

A microburst, with gusts up to 80 miles an hour (130 kph), was implicated in the fatal crash of a jet airliner at the Dallas-Fort Worth airport in August. The winds are produced when cold air at high altitudes sinks to the ground, where it is diverted horizontally and results in dangerous flows of short-lived, high-speed winds. Better understanding of how such winds develop may help prevent future disasters.

Dr. P. E. Linden and Dr. J. E. Simpson of the department of applied mathematics and theoretical physics developed a model of this event, described in Nature magazine, by mixing waters of different densities. A dense fluid, saline water, was poured into a less dense liquid, producing a complex horizontal vortex at the leading edge of the saline outflow. The scientists observed an increase in circulation of the vortex as it moved away from the source. They say this strong circulation is likely to be one of the main hazards of microbursts.

Pollution Could Heat Climate by 2030

GENEVA (UPI) — Temperatures could rise as much as 4.5 degrees Centigrade (8 degrees Fahrenheit) as early as the 2030s because of atmospheric pollution, a United Nations scientific conference warned. "Such an increase 'could have profound effects on global ecosystems, agriculture, water resources and sea ice,' a conference statement said. Unless atmospheric pollution is reduced, it said, the first half of the next century will see 'a rise of global mean temperature greater than any in man's history.' In the past 100 years, the global mean temperature increased an estimated 0.3 to 0.7 degrees Centigrade, the statement said. The conference called for action by governments to reduce coal and oil carbon dioxide emissions as well as other pollutants known as greenhouse gases and aerosols.

Lasers Used in Tropics for Research on Climate, Pollution

By Eric Schmitt

New York Times Service

HAMPTON, Virginia — Using a new laser tool that is fired toward earth from an airplane, scientists here are measuring more precisely the levels of gases and particles above tropical oceans and rain forests in an effort to understand the complex exchange of chemical elements between the earth and the lowest layer of its atmosphere.

By scouring the troposphere, the blanket of air most important to living creatures, scientists from the Langley Research Center of the National Aeronautics and Space Administration say they can provide important information to policy makers concerned about acid rain, air pollution and global climatic conditions.

The researchers conduct their experiments in the tropics, where steamy jungles and balmy seas discharge huge quantities of organic compounds into the atmosphere. "We want to know if there are certain chemicals that originate in the tropical rain forest environment in sufficient quantities to influence the chemistry of the global atmosphere," said Robert C. Harriss, senior project director of NASA's Global Tropospheric Experiment.

The laser provides information on the exact altitudes and dimensions of dust clouds from Africa, giving scientists better access to floating treasure troves of solid particles and inert gases.

While there have been several studies of the atmosphere in urban areas, Mr. Harriss said the NASA project is one of the first designed to examine remote regions free from man-made pollutants, where scientists can observe the mechanisms of atmospheric conditions and establish a point of reference to assess man's impact elsewhere. In a recent interview, Mr. Har-

ris discussed the 10-year project, which began in 1983, and cited some preliminary observations gleaned from an expedition in July to the central Amazon River basin. There, scientists from the United States and Brazil took samples from the lower part of the troposphere, the first 6 to 7 miles (9 to 11 kilometers) of atmosphere, to gauge the effects of deforestation in the region.

The expedition, a joint venture by NASA and the Brazilian space agency, the Instituto Nacional de Pesquisas Espaciais, undertook the first large-scale measurement of gases produced by a forest, in an effort to learn whether such gases may be key elements in the earth's overall atmospheric chemistry, and if so, to determine their origin. "By putting our data through theoretical models," Mr. Harriss said, "we'll be able to predict what effects deforestation would have on the climate and air quality were it to continue at various levels."

From the Brazilian experiments and others, more is being learned about how natural sources of such gases as carbon dioxide, carbon monoxide and nitrous oxide interact with man-made pollutants. The project is also monitoring a possible decline in the atmospheric concentration of hydroxyls, small scav-

enger molecules that cleanse pollutants from the air, Mr. Harriss said.

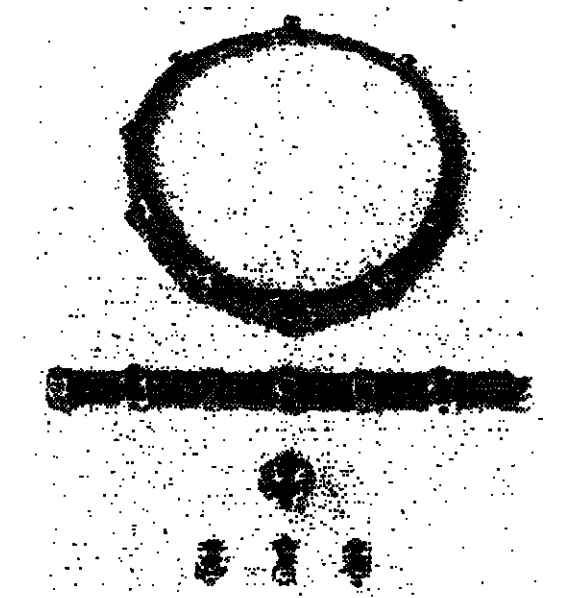
In daily flights over the Amazon last summer, and in flights in 1984 over Guyana and the Atlantic Ocean east of Barbados, scientists used the new laser and other sensing devices.

The laser is fired toward the earth. When the laser beam hits solid airborne particles such as dust and pollen, it is reflected back to the plane. Instruments on board

electronically measure the altitude and physical characteristics of the particles. The measurements are translated into color pictures that show the horizontal and vertical distribution of the particles over the test area.

If a large cloud of particles is identified, the plane dips to that altitude and flies through the cloud, while another set of instruments analyzes the particles more closely and render clues to the cloud's origin.

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In The High Court of Justice (England)

Chancery Division

Mr. Registrar Bradburn

IN THE MATTER of CENTAUR INTERNATIONAL INSURANCE COMPANY LIMITED

No. 006254 of 1985

and IN THE MATTER of THE CONCORD REINSURANCE COMPANY LIMITED

No. 006255 of 1985

and IN THE MATTER of MARBARCH INSURANCE COMPANY LIMITED

No. 006260 of 1985

and IN THE MATTER of SHASTA REINSURANCE COMPANY LIMITED

No. 006263 of 1985

and IN THE MATTER of THE COMPANIES ACT, 1985

and IN THE MATTER of THE COMPANIES ACT, 1981

In The Supreme Court of Bermuda

Sir James Astwood Chief Justice

IN THE MATTER of CENTAUR INTERNATIONAL INSURANCE COMPANY LIMITED

1985 No. 326

and IN THE MATTER of THE CONCORD REINSURANCE COMPANY LIMITED

1985 No. 324

and IN THE MATTER of MARBARCH INSURANCE COMPANY LIMITED

1985 No. 325

and IN THE MATTER of SHASTA REINSURANCE COMPANY LIMITED

1985 No. 332

and IN THE MATTER of THE COMPANIES ACT, 1981

NOTICE IS HEREBY GIVEN that by Orders all dated the 11th October 1985 made in the High Court of Justice (England) Chancery Division in the matter of the above-named Companies ("the Scheme Companies") and in the matter of the Companies Act, 1985 and by Orders all dated the 16th October 1985 made in the Supreme Court of Bermuda in the matter of the Scheme Companies and in the matter of the Companies Act, 1981 the said Courts have directed separate Meetings to be convened of:-

- (1) Centaur International Scheme Creditors;
- (2) Concord Scheme Creditors;
- (3) Marbarch Scheme Creditors; and
- (4) Shasta Scheme Creditors;

being creditors of Scheme Companies in respect of claims outstanding on 29th March 1985 or arising out of obligations assumed by Scheme Companies prior to 29th March 1985 other than Excluded Claims (as defined in the Scheme of Arrangement hereinafter mentioned) for the purpose of considering, and, if thought fit, approving (with or without modification) a Scheme of Arrangement proposed to be made between the Scheme Companies and their respective Scheme Creditors and that such Meetings will be held at Great Eastern Hotel at the corner of Bishopsgate and Liverpool Street, London EC2M 7QN, England on Wednesday the 4th December 1985 at the respective times below mentioned namely:-

- (1) The Meeting of Centaur International Scheme Creditors at 10.00 a.m.;
- (2) The Meeting of Concord Scheme Creditors at 10.15 a.m. or so soon thereafter as the preceding Meeting shall have been concluded or adjourned;
- (3) The Meeting of Marbarch Scheme Creditors at 10.30 a.m. or so soon thereafter as the preceding Meeting shall have been concluded or adjourned; and
- (4) The Meeting of Shasta Scheme Creditors at 10.45 a.m. or so soon thereafter as the preceding Meeting shall have been concluded or adjourned.

Any creditor of one or more of the Scheme Companies who is or believes that he may be entitled to attend any of the said Meetings can obtain copies of the said Scheme of Arrangement, Forms of Proxy, and copies of the Statement required to be furnished pursuant to Section 428 of the Companies Act, 1985 and Section 100 of the Companies Act, 1981:-

- (i) from Clifford-Turner, Blackfriars House, 19 New Bridge Street, London EC4V 6BY, England; or
- (ii) from Conyers, Dill & Pearn, Clarendon House, Church Street, Hamilton 5-31 Bermuda;

during usual business hours on any day (other than a Saturday or a Sunday) prior to the day appointed for the said Meetings.

The said Scheme Creditors may vote in person at such of the said Meetings as they are entitled to attend or they may appoint another person, whether a Scheme Creditor or not, as their proxy to attend and vote in their place.

It is requested that the form appointing proxies be lodged with Neville Russell at 246 Bishopsgate, London EC2M 4PB, England not less than 48 hours before the time appointed for the Meetings, but if forms are not so lodged, they may be handed to the Chairman at the Meeting at which they are to be used.

By the said Orders the Courts have appointed Maurice R. Lawrence or failing him, Brian A. Udell to act as Chairman at each of the said Meetings of Scheme Creditors and have directed the Chairman to report the results thereof to the respective Courts.

The said Scheme of Arrangement will be subject to the subsequent approval of each of the respective Courts.

DATED the 28th day of October 1985.

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London EC2V 7JA
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Trimuss, Sainer & Webb
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NYSE Most Actives				
Vol.	High	Low	Last	Chg.
IBM	125.00	124.00	124.00	+1.00
AT&T	48.00	47.00	47.00	+1.00
GE	32.00	31.00	31.00	+1.00
Amgen	28.00	27.00	27.00	+1.00
Amgen	28.00	27.00	27.00	+1.00
Amgen	28.00	27.00	27.00	+1.00
Amgen	28.00	27.00	27.00	+1.00
Amgen	28.00	27.00	27.00	+1.00
Amgen	28.00	27.00	27.00	+1.00
Amgen	28.00	27.00	27.00	+1.00

Dow Jones Averages				
Open	High	Low	Last	Chg.
125.00	124.00	124.00	124.00	+1.00
48.00	47.00	47.00	47.00	+1.00
32.00	31.00	31.00	31.00	+1.00
28.00	27.00	27.00	27.00	+1.00

NYSE Index				
High	Low	Close	Chg.	Prev.
125.00	124.00	124.00	+1.00	123.00
48.00	47.00	47.00	+1.00	46.00
32.00	31.00	31.00	+1.00	30.00
28.00	27.00	27.00	+1.00	26.00

Wednesday's NYSE Closing

Vol. of 4 P.M. 123,340,000
Prev. 4 P.M. vol. 119,440,000
Prev. consolidated close 122,714,000

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.
Via The Associated Press

AMEX Diaries				
Advanced	Declined	Unchanged	Total	Prev.
1,234	567	890	2,691	2,500
1,234	567	890	2,691	2,500
1,234	567	890	2,691	2,500

NASDAQ Index				
Class	Chg.	Week	Year	Prev.
125.00	+1.00	+1.00	+1.00	123.00
48.00	+1.00	+1.00	+1.00	46.00
32.00	+1.00	+1.00	+1.00	30.00

AMEX Most Actives				
Vol.	High	Low	Last	Chg.
125.00	124.00	124.00	124.00	+1.00
48.00	47.00	47.00	47.00	+1.00
32.00	31.00	31.00	31.00	+1.00
28.00	27.00	27.00	27.00	+1.00

Dow Jones Bond Averages				
Class	Chg.	Week	Year	Prev.
125.00	+1.00	+1.00	+1.00	123.00
48.00	+1.00	+1.00	+1.00	46.00
32.00	+1.00	+1.00	+1.00	30.00

NYSE Diaries				
Advanced	Declined	Unchanged	Total	Prev.
1,234	567	890	2,691	2,500
1,234	567	890	2,691	2,500
1,234	567	890	2,691	2,500

Odd-Lot Trading in N.Y.				
Buy	Sell	Net	Vol.	Prev.
1,234	567	667	1,801	1,700
1,234	567	667	1,801	1,700
1,234	567	667	1,801	1,700

Standard & Poor's Index				
Class	Chg.	Week	Year	Prev.
125.00	+1.00	+1.00	+1.00	123.00
48.00	+1.00	+1.00	+1.00	46.00
32.00	+1.00	+1.00	+1.00	30.00

AMEX Sales				
4 P.M. volume	Prev. 4 P.M. volume	Prev. consol. volume	Prev. consol. volume	Prev. consol. volume
123,340,000	119,440,000	122,714,000	122,714,000	122,714,000
123,340,000	119,440,000	122,714,000	122,714,000	122,714,000

AMEX Stock Index				
High	Low	Close	Chg.	Prev.
125.00	124.00	124.00	+1.00	123.00
48.00	47.00	47.00	+1.00	46.00
32.00	31.00	31.00	+1.00	30.00

Dow Rallies to Record High

NEW YORK — Shares on the New York Stock Exchange rallied Wednesday to a record high closing in active trading.

Analysts said the gains were spurred by expectations of lower interest rates.

The Dow Jones industrial average added 6.84 to 1,375.57, surpassing its previous record of 1,369.29, set Oct. 17.

Broader market indicators advanced. The New York Stock Exchange index rose 0.50 to 109.69. Standard & Poor's 500-stock index climbed 0.84 to 190.07. The price of an average share increased 15 cents.

Advancing stocks outpaced declining ones by a 5-3 ratio. Volume totaled 120.4 million shares, up from 110.6 million Tuesday.

When interest rates fall, it lowers business's cost of borrowing money.

"Investors are perceiving that a more accommodative interest rate environment is ahead," said Eugene Peroni Jr., chief technical analyst at Bateman Eichler Hill Richards.

Mr. Peroni said a leadership shift from "rumor stocks" to interest rate-sensitive utility and financial issues gave the market a stronger underlying tone.

Money made in recent takeover situations is being recycled back into the market and will help propel the Dow into the 1,400 area, Mr. Peroni said.

But he said the key to the market's ability to move higher will be how much fresh cash equities can attract. The direction of interest rates will determine that, he said.

Remarks Monday by the Federal Reserve Board chairman, Paul A. Volcker, and those Wednesday by the Fed vice chairman, Preston

Martin, indicate that an environment of lower interest rates — including a possible discount-rate cut — will prevail, Mr. Peroni said.

Mr. Martin termed the U.S. economic expansion "sluggish" and said there was "some likelihood of a recession in 1986."

U.S. Steel was the most active NYSE-listed issue, losing 1/4 to 26 3/4. U.S. Steel and Texas Oil & Gas announced a definitive merger pact on Wednesday.

Texas Oil & Gas was second, falling 1 1/2 to 16 1/2.

Westinghouse Electric was third, adding 1/4 to 43 1/2.

Beatrice Cos. continued to lose ground, dropping 1 1/2 to 42 1/4. Kohlberg Kravis Roberts & Co. has made an unsolicited offer of \$47 a share for Beatrice.

Bethlehem Steel fell 1 1/2 to 13 1/4. It reported third-quarter losses of \$76.8 million and omitted its quarterly dividend. The company also said it expects a fourth-quarter loss.

Chesapeake-Pond's dropped 2 1/2 to 40 1/2. It told the Securities and Exchange Commission that it has not and is not holding discussions regarding a merger or takeover of the company. Unlever, which recently has been rumored to be interested in buying Chesapeake-Pond's, rose 2 1/2 to 119 1/2.

Some interest-rate-sensitive utility issues gained. Commonwealth Edison added 1/4 to 35 1/2. Ohio Edison rose 1/4 to 15 1/2. Consolidated Edison edged up 1/4 to 36 and Boston Edison added 1/4 to 39 1/2.

In the financial sector, American Express advanced 1 1/2 to 45 1/2. Phibro Salomon Bros. added 1 to 38 1/2 and Merrill Lynch rose 1 to 29 1/2.

12 Month High	Low	Stock	Div.	Yld.	PE	52 Wk High	Low	Close	Chg.	Prev.
125.00	124.00	IBM	3.00	4.00	12.00	125.00	124.00	124.00	+1.00	123.00
48.00	47.00	AT&T	2.00	4.00	12.00	48.00	47.00	47.00	+1.00	46.00
32.00	31.00	GE	1.00	4.00	12.00	32.00	31.00	31.00	+1.00	30.00
28.00	27.00	Amgen	1.00	4.00	12.00	28.00	27.00	27.00	+1.00	26.00

12 Month High	Low	Stock	Div.	Yld.	PE	52 Wk High	Low	Close	Chg.	Prev.
125.00	124.00	IBM	3.00	4.00	12.00	125.00	124.00	124.00	+1.00	123.00
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28.00	27.00	Amgen	1.00	4.00	12.00	28.00	27.00	27.00	+1.00	26.00

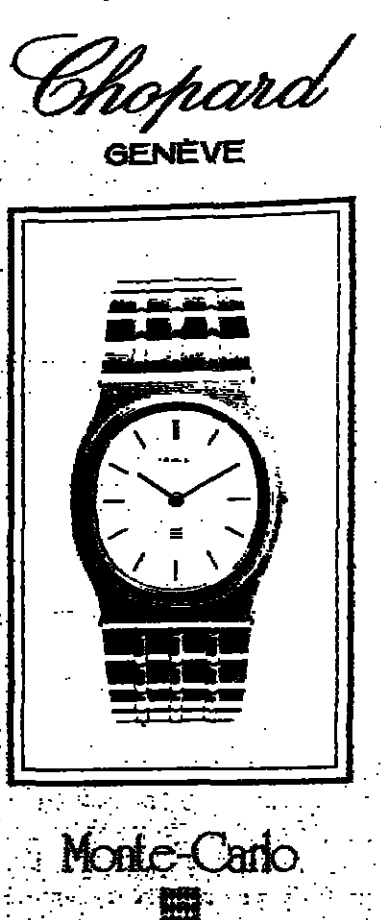
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12 Month High	Low	Stock	Div.	Yld.	PE
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BUSINESS ROUNDUP

Thomson Pursues Unit Of United Technologies Posts Loss of \$76 Million

By Axel Kruse

International Herald Tribune

PARIS — Negotiations have reached an advanced stage between United Technologies Corp. and government-owned Thomson SA of France on Thomson's acquisition of Mostek Corp., United's ailing semiconductor subsidiary, executives of the companies said Wednesday.

"We are moving very fast," said Alain Gomez, chairman of Thomson. He said he expected final agreement could be reached within two to three weeks.

Asked why Thomson was interested in Mostek at a time when the U.S. semiconductor market was depressed and faced overcapacity, Mr. Gomez said he agreed with industry estimates that the market would recover at the end of 1986 and would generate what he termed "strong demand" throughout 1987.

Thomson, France's largest elec-

tronic company, which this year expects to make about 80 percent of its semiconductor sales in Western Europe, had planned to acquire a manufacturing site and sales force in the United States in 1986-1987, Mr. Gomez said in an interview. Thomson's U.S. semiconductor sales were about \$30 million and \$35 million annually.

The announcement by United Technologies on Oct. 17 that it planned to terminate its Mostek operation, Mr. Gomez said, "gave us the opportunity" to open negotiations.

Neither UTC or Thomson executives would disclose financial details of the negotiations. They said the focal point of Thomson's interest was Mostek's manufacturing operations in the Dallas suburb of Carrollton, whose estimated net book value is about \$25 million, according to United Technologies spokesmen.

Thomson's possible acquisition of Mostek's semiconductor assembly and test facility in Penang, Malaysia, also is part of the talks, executives said.

Mostek's test and assembly plant near Dublin, which was closed two weeks ago, is not part of the negotiations with Thomson, the UTC spokesmen added.

Thomson "would be buying a very scaled-down operation, which has come down from 9,000 to 900 people on the payroll," a United Technologies spokesman said in Hartford, Connecticut. UTC and Thomson executives said that if the purchase went through, James R. Fiebigler, Mostek's chief executive officer, would head the new company.

Thomson's net loss from its semiconductor business will drop slightly this year from last year's level to about 300 million francs (\$37.7 million), Mr. Gomez said.

Bethlehem Steel Corp. Posts Loss of \$76 Million

Reuters

BETHLEHEM, Pennsylvania — Bethlehem Steel Corp. reported Wednesday a third-quarter loss of \$76.8 million, compared with a \$17.4 million loss a year earlier.

The loss, which included a charge of \$35 million for the planned shutdown of the Lebanon, Pennsylvania, industrial-faster operation, prompted the company to omit paying a dividend on common stock for the first time since 1938.

Third-quarter sales totaled \$1.29 billion, down 6 percent from \$1.36 billion.

For the first nine months, Bethlehem Steel posted a net loss of \$118.5 million, compared with a loss of \$48 million a year earlier. Sales totaled \$3.83 billion, down 9 percent from \$4.20 billion.

The board declared the regular quarterly dividends on all its preferred stocks. It said it continued the common dividend of 10 cents a share because of the significant loss in the third quarter and its expectation of a loss for the fourth quarter.

The company said future common stock dividends will be determined on the basis of retained earnings and the business outlook.

Bethlehem said it sees no significant improvement in prices or volume for its products in the fourth quarter.

Announcing the results, Bethlehem said "steel demand remains flat. The heavy influx of imported steel continues. Customers continue to reduce inventories, and competition is severe."

The company said improved results depend on a number of factors, including continued cost reductions and productivity gains, the effectiveness of recently announced steel-price increases and a reduction in steel imports.

Ericsson Computer Unit Can See Recovery on the Horizon

By Juris Kaza

International Herald Tribune

STOCKHOLM — Stig Larsson, managing director of Ericsson Information Systems, the office-automation subsidiary of the L.M. Ericsson group, declared that the company was well along the way to solving its major product and administrative problems.

Ericsson Information, with sales of 9.29 billion kronor (\$1.18 billion) in 1984, was the second largest unit of the Ericsson group after Public Telecommunications.

In an interview, Mr. Larsson forecast that Ericsson Information would break even in 1986 after narrowing its 1985 losses from the 1984 level of 217 million kronor. According to the managing director, the Ericsson subsidiary should return to profitability by 1987.

Despite such statements, the share price for Ericsson, Sweden's showpiece telecommunications and electronics group, has been dipping to lows for the year on the Stockholm Stock Exchange. The low in recent weeks was 189 kronor per share. Ericsson shares closed at 205 kronor on Tuesday.

Analysts consider the depressed share price a symptom of investor worry about Ericsson Information Systems. "Swedish investors are certainly waiting to see how things develop with EIS," said an analyst at a large Swedish bank, who asked not to be identified.

Ericsson recently said it would terminate U.S. dealer sales of its personal computer, made by EIS, at the end of 1985. In its six-month interim report, it said Ericsson Information was a major factor in a 31-percent drop in group earnings, to 643.8 million kronor from 927.8 million for the period in 1984.

However, Mr. Larsson said sales of the Ericsson PC in Europe in September had been "the best for any one month in the past six months" and said that a major European marketing campaign for the PC would start shortly. Computer-laid retailers in Europe, he noted,

had recently agreed to market the computer.

Michael Willis Fleming, a senior partner and specialist in Scandinavian shares at London's E.B. Savory Milne, said a lot of selling of Ericsson had to do with investors realizing losses near year-end to offset capital gains, but that the company's recent performance could justify the sales.

Ericsson Information's managing director, Mr. Larsson, who took over a year ago, said that losses at the unit were the result of an interplay of prematurely launched, problem-ridden products and administrative routines that failed to detect and prevent these difficulties in time. All this, he pointed out, occurred against the background of a weak market for office-automation products worldwide, and especially in the United States.

For instance, the EIS head noted that the new MD-110 digital PBX had been installed at around 300 locations in Sweden and abroad with "some 300 software errors."

"We had the same type of problem with the Ericsson 2500 mini-computer and have solved it," Mr. Larsson said, adding that two major banking-automation projects in Sweden had also undergone revisions because the early phases had been rushed.

Deliveries of Ericsson Information's bank-automation systems to Scandinavia's Enkells Bank, Sweden's largest commercial bank, and Spadab, data-processing center for Sweden's savings banks, are said to be delayed by almost a year.

In addition, analysts say that Ericsson suffered setbacks on the domestic banking-automation market when it failed last spring to get big contracts with PKBanken, the state-owned commercial bank, and the Swedish post office. All Swedish post offices offer some or all of PKBanken's banking services.

Regarding the MD-110, Mr. Larsson said, "We are updating the software at all the installations, and all new deliveries are being made



Stig Larsson

with updated programs. The Ericsson 2500 is also now a good, stable product."

He admitted that on the product side, Ericsson Information's "biggest problem was that we were in a rush to come out with products, and these weren't quite worked out when they were launched."

"I came in late last year and one of the first things I did was to put in people to go through the whole product range," he explained. "Our target was to finish by mid-1985 and we did it."

Mr. Fleming, the analyst in London, praised the design and technology of Ericsson's products.

"The Ericsson PC is a marvelous product, vastly advanced on the IBM," he said, referring to International Business Machines Corp.'s PC model. But at the same time he was skeptical about whether EIS and Ericsson as a whole had sufficiently tightened up management controls to prevent future products from coming to market with embarrassing flaws.

"Our information reveals a bad history here," Mr. Fleming remarked of Ericsson. "And in some

rather recent examination, we didn't feel the business discipline was that tight compared with some other companies we know. In 1985, up against IBM, you can't afford to be lax."

The analyst at the Swedish bank said he regarded Ericsson Information Systems' development of the Ericsson 2500 minicomputer as one of the most serious potential problems.

"Minicomputers have high development costs, especially for software development, and the Ericsson mini has its own unique operating system, which means they have to write their own software," the analyst said. Operating systems are a set of built-in instructions that tell a computer's microprocessors how to handle all other instructions, such as word processing or administrative programs.

"I think they are missing the train here with minicomputers," the analyst cautioned, "and the question is, how long they will keep trying." The Ericsson group's patience could run out, he suggested, if profitability from Public Telecommunications declined for some reason. "They made 92 percent of Ericsson's profits on just over 30 percent of sales" in 1984, the analyst said.

Mr. Larsson said new products would be launched at slower rate in

1986. But he stressed that there would be new-product introductions in all EIS product areas during the year.

Slippy product launches went undetected, Mr. Larsson said, because Ericsson Information Systems was, at the same time, trying to administratively assimilate recent acquisitions that were developers of some of the products. Formed in 1981 as a subsidiary division, EIS acquired Datasaab, a maker of minicomputers and banking systems, in 1982. In 1983, it acquired Pacit, a maker of office machines.

Mr. Larsson declined to discuss specific new products, but hinted broadly that the MD-110 would be offered with enhanced data communications capability, making it a true data-voice-text exchange. Users of current model MD-110s need a modem to send data, but sources close to Ericsson Information said the new version would have software allowing the PBX to link directly with computers and transmit data at high speeds of up to 64,000 bit per second.

Other products to be introduced soon, it has been said, will be a new printer, though not a laser printer, and possibly some user-friendly, integrated software for the Ericsson PC. In the medium term, a laser printer under the Ericsson trademark was possible, a source said.

Du Pont Net Off 10.5% in Period

United Press International

WILMINGTON, Delaware — Du Pont Co. reported on Wednesday third-quarter net profit of \$282 million, down 10.5 percent from \$315 million profit in the quarter last year.

The company said earnings per share were \$1.17, compared with \$1.31 in the 1984 period. Third-quarter sales were \$3.65 billion, down from \$3.8 billion.

Third-quarter earnings were reduced by \$88 million after taxes by charges arising from the closure of an ethylene production unit in Alvin, Texas, and from Du Pont's withdrawal from an investment in Syngas Co.

COMPANY NOTES

Dayton Hudson Corp. said it planned to spend \$4 billion expanding its retail operations from 1986 through 1990. The plan represents a 25-percent boost from the \$3.2-billion projected in the U.S. retailer's previous five-year plan for the period through 1989.

Grumman Corp. is considering the purchase of Fairchild Republic Co., the Long Island-based aircraft manufacturing subsidiary of Fairchild Industries Inc., a Grumman spokesman said.

Hitachi Semiconductor U.S. Inc., wholly owned subsidiary of Hitachi Ltd., has started building a plant in Irving, Texas, for processing silicon wafers for very large scale integrated circuits, a spokesman said.

Honda Motor Co. has started a feasibility study for a second pas-

senger car plant in the United States that would begin production of Quint Integra 1.6-liter models in 1989, Jiji Press reported.

Imperial Chemical Industries PLC said it had agreed to acquire full ownership of Grease Seed Co., a corn-seed producer based in Iowa, where it bought a minority stake early this year.

Kanstar AG said sales, excluding its travel business, fell to 6.1 billion Deutsche marks (\$2.34 billion) in the first nine months of 1985, a 2.5-percent drop from the 1984 period.

Leighton Holdings Ltd.'s current year profit will be lower than in the 1984-85 fiscal year ended June 30, particularly in the first half, according to William Pettingill, the chairman. Leighton posted a drop

in 1984-85 net to 13 million Australian dollars (\$9.08 million) from 21.1 million in 1983-84.

Linde AG of West Germany said it and Voest Alpine AG of Austria won a contract worth 250 million Deutsche marks (\$95.8 million) with East Germany's Industriemontagen-Import to refurbish a petrochemical complex at Böhlen.

Samoff expects its net profit per share to rise by 15 percent from 1984 levels of 38.53 French francs (\$4.84), according to Jean-Pierre Léon, the finance director.

Statoll A/S, Norway's government-owned oil company, and Yeba AG of West Germany are discussing the construction of a plant to produce methyl tertiary-butyl ether, an additive for lead-free gasoline, Statoll said.

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and engage in all related business activities of the international grain trade.

The first stage of the new port of Damietta is expected to be in operation by the end of 1985. The port is strategically located on the Mediterranean coast of Egypt between Alexandria and Port Said. It will be chiefly a transshipment center for the Mediterranean, the Red Sea and the Middle East areas with cargo traffic from 6 to 16 Million Tons annually by the year 2000.

In order to insure a steady supply of grain available to Egypt in spite of any shortages in external supply and to take advantage of favourable international market prices from time to time, the Government of Egypt desires to provide for a strategic reserve of about 20% (twenty percent) of annual Egyptian grain import requirements. The storage, equivalent to a two to three month supply of grain, will require a silo capacity of 500,000 to 1,000,000 Tons, based on the importation in 1982-1983 of 4,250,000 Tons.

Accordingly, the Government of Egypt proposes to enter into a concession arrangement with an internationally experienced grain trader and developer or foreign investor to carry out studies, finance, design, build, operate and engage in grain trade based in the industrial zone of the new Port of Damietta.

The Terms of Reference (TOR) providing complete details on proposal requirements may be purchased for LE 135 or U.S. \$ 100 from the Research & Studies Organization of the Ministry of Development, 2nd Floor, 1 Ismail Abaza Street, Garden City, Cairo, where proposals should be submitted.

Technical and sealed financial proposals based on the TOR ONLY will be received until Thursday 30 January 1986.

U.S. Weighs Practices in Airbus Sales

(Continued from Page 9)

Yesterday, the U.S. trade representative, confirmed that the prospect of taking action against Airbus for possible unfair trade practices — including indirect government subsidization on the production end and the offering of special inducements to customers — had been raised at a full cabinet meeting in late September.

Although the cabinet had decided at the time not to proceed with a Section 301 suit against Airbus, U.S. officials said, the issue has not been scratched from the agenda of some four to five new cases being considered for Section 301 action, which authorizes the president to retaliate if consultations fail.

The cabinet felt a Section 301 case against Airbus was not "ripe" an official in the Office of the Special Trade Representative, or OSTR, said. "Obviously, that decision did not imply a definite no. The cabinet wants to be sure there is sufficient concrete evidence to merit a reconsideration of the Airbus case, which now is being more thoroughly examined at the sub-cabinet level."

A series of interviews with officials at OSTR and the departments of Commerce and State suggested that officials there were taking a cautious line on Airbus, with State Department officials — concerned about potential diplomatic repercussions — leaning most heavily toward finding solutions that would avoid a Section 301 action. Officials in the trade representative's office appear no less sensitive to those diplomatic concerns, yet note that President Ronald Reagan has come out with a new "get tough" attitude on combating unfair trade in which Mr. Yentzer's office is the cutting edge.

"We have to handle the Airbus case very carefully," the OSTR official added. "We're aware of the political sensitivity of the Europeans on this one and also of the sensitivities of U.S. suppliers to Airbus aircraft."

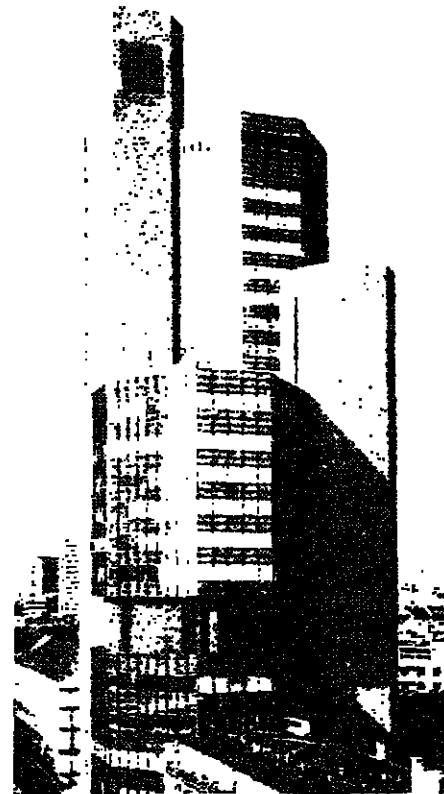
An estimated 30 percent of the value of Airbus planes stems from parts — chiefly engines — supplied by U.S. companies, including United Technology Corp.'s Pratt & Whitney, as well as General Electric Co. The role of U.S. parts suppliers, U.S. officials said, complicates any decision to proceed with action aimed at protecting U.S. aircraft builders, such as Boeing and McDonnell Douglas Corp., from alleged unfair trade practices by Airbus.

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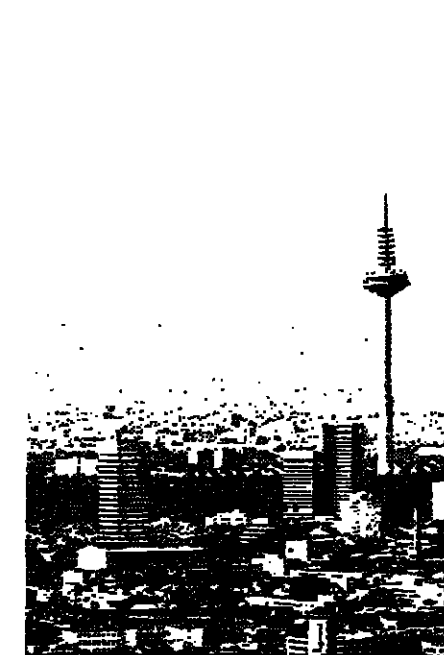


Helaba Frankfurt serves both domestic and international clients.

Concentrating on wholesale banking, especially in the medium to long-term sector, Helaba Frankfurt tailors its comprehensive services for large corporations, central banks, government entities, and other financial institutions. Moreover, it acts as banker to the State of Hesse.

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Helaba Frankfurt is also at home in key international markets, operating for example full service branches in London and New York as well as a Luxembourg subsidiary specializing in Euromarket transactions and private banking.



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SPORTS

At Halftime, NFL Finds Parity — With One Perfect Exception

By Bob Oates

LOS ANGELES — It was the third week of the National Football League season, and the Chicago Bears were losing to the Minnesota Vikings, 17-9, late in the third quarter.

Quarterback Jim McMahon hadn't been seen. He had sat out the offensive practice during the week, pleading illness, and Chicago Coach Mike Ditka was using him to make a point to the team: no practice, no play.

With little more than a quarter left, Ditka swallowed his pride — the practice-is-beautiful lesson would have to be taught another way, another day — and sent his trusty into the game.

McMahon's first play was a long pass for a touchdown. His second play was a long pass for a touchdown. When he threw for a third TD, the Bears had converted probable defeat into a 33-24 victory.

That performance was the most spectacular so far in the NFL's regular season, which is eight weeks old and has eight weeks left. Since McMahon's big night, things haven't been the same.

Chicago, winner of eight in a row under Ditka, has jumped past San Francisco, Miami, Dallas and the Los Angeles Raiders to become pro football's top team.

For the first time since the days of George Halas, the Bears are what Halas made them 50 years ago, the intimidating Monsters of the Midway.

McMahon is the NFL's new star. During two months of winning, the free-spirited passer has caught up with such notables as Dan Marino, Joe Montana, Walter Payton, Eric Dickerson and Marcus Allen.

McMahon has clearly been the most valuable player of the first half of the season.

Most other teams are laboring. A half-dozen hopefuls for Super Bowl XX — San Francisco, Washington, Seattle, St. Louis, Cincinnati, Pittsburgh — are at .500 or below.

Ditka calls Chicago "a complete team." The Los Angeles Rams are 7-1, mainly thanks to the leadership of Coach John Robinson and a big-play defense, but they're not yet a complete team.

The NFL's dominant characteristic has been a balance of strength. To date this season, 19 of the 28 clubs have parity-range records of 5-3, 4-4 or 3-5.

There are only three cellar franchises — Atlanta, Buffalo and Tampa Bay — and only six teams with records of 6-2 or better, among them the New York Jets, the surprise team of the American Conference East.

In the 1980s, no club has been able to win two straight Super Bowls. The champion San Francisco 49ers, 18-1 last season, are currently 4-4.

The players are about even everywhere," said Ditka. "It's the opportunities — the breaks — that keep changing. A lot of the time, that's what makes the difference."

Is there anything else? An executive of one 500 team gives a terse summation of the NFL today: "The players are equal. The coaches aren't."

He contends that the playing talent has been so evenly divided that most clubs have playoff potential. They all spend \$500,000 or more in each annual draft; they all build with the best material in college football.

The difference each week, he says, comes from coaches who can get that talent to play with the most intensity and concentration.

At halftime 1985, only three teams — Dallas, Denver and the Raiders — are winning the way they were expected to. All are 6-2.

The only race with three winners is in the AFC East, where the Jets, with a great runner in Freeman McNeil and a promising quarterback in Ken O'Brien, lead Miami and New England, both 5-3.

A lineup of the players who have dominated so far this season:

Wide receivers: Dennis McKinon, Bears; Louis Lipps, Pittsburgh; Steve Largent, Seattle; and Henry Ellard, Rams.

Tight end: Todd Christensen, Raiders.

Offensive line: Jim Covert, Bears; Mike Kena, Atlanta; Dwight Stephenson, Miami; Chris Hinton, Indianapolis; Anthony Munoz, Cincinnati.

Quarterback: McMahon and O'Brien.

Running backs: McNeil; James Wilder, Tampa Bay; Tony Dorsett, Dallas; and Marcus Allen, Raiders.

Defensive line: Howie Long, Raiders; Bill Maas, Kansas City; Leonard Marshall, the New York Giants; and Mark Gastineau, Jets.

Linebackers: Mike Singletary, Bears; Andre Tippett, New England; Mark Brown, Miami; Jim Collins, Rams; Chip Banks and Clay Matthews, Cleveland.

Defensive backs: Gary Green, Rams; Ray Clayborn, New England; Kenny Eassey, Seattle; and Wes Hopkins, Philadelphia.

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